

March 3, 2009



TRANSCRIPT

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MONTGOMERY COUNTY COUNCIL

PRESENT

Councilmember Phil Andrews, President

Councilmember Roger Berliner, Vice President

Councilmember Marc Elrich

Councilmember Valerie Ervin

Councilmember Nancy Floreen

Councilmember Michael Knapp

Councilmember George Leventhal

Councilmember Duchy Trachtenberg



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1 COUNCIL PRESIDENT ANDREWS:

2 Good morning, everybody. We're going to go ahead and get started. Well, first, let me
3 welcome you to the redone and modernized third-floor hearing room for this building.
4 We're very happy to see it done. It had been deferred for years for other capital projects,
5 and it really needed to be modernized. We heard numerous complaints over the years
6 that people couldn't hear in the old hearing room, they couldn't see well, access wasn't
7 very good for people with disabilities, and there were just numerous other problems with
8 the room. And so, we're happy to see that this room is done, came in under budget, and it
9 provides a meeting place for dozens of organizations in the community, as well as for the
10 Council, to hold business. And this is really the people's room, and we look forward to it
11 being intensively used by the community in the decades ahead as we begin regularly as a
12 Council to meet down here, rather than in the seventh floor, and look forward to all the
13 groups that will use this room and benefit from it, as well. We are going to start with an
14 invocation from Chaplain Edco Bailey of the Shady Grove Adventist Hospital, who gets to
15 give the inaugural invocation for this redone room.

16
17 CHAPLAIN EDCO BAILEY:

18 Good morning, all. Invite you to stand for a moment of prayer. O God, bless America, and
19 bless Montgomery County, Maryland. This is a place that we love. We pray for it. We pray
20 that you give unto us sufficient wisdom, love, and vision, that we might serve well in the
21 calling to be your people here. Thank you for this wintry day and for the hope of the
22 warmth of springtime and summer. Thank you for the warmth of your magnificent love for
23 us. This is another glorious day that you have made. May we endeavor to make the best
24 of it. Amen.

25
26 UNKNOWN SPEAKERS:

27 Amen.

28
29 COUNCIL PRESIDENT ANDREWS:

30 Thank you, Chaplain Bailey. We are now going to have a presentation, and this will be a
31 proclamation in recognition of the Montgomery County High School students, semi-
32 finalists in the Intel Science Talent Search, and the presentation will be made by
33 Councilmember Valerie Ervin.

34
35 COUNCILMEMBER ERVIN:

36 Good morning, everyone. I think what we'll do now is have all the students come up to the
37 front, who are here, to be honored for their accomplishments in the Intel Science Search.
38 So if you would all come up. And also I want to have Dennis Heidler, the director of the
39 Blair High School magnet program, come down, the principal of Whitman High School,
40 Alan Goodman, and Chris Garran, principal of Walter Johnson, and from Gaithersburg



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1 High School, Mike Ridge. And for Gaithersburg High School, this is really an important
2 day because this is their first time winning, and so this is really exciting. So all of you
3 come here and just join us, join me behind me. And I'm going to have the principals and
4 the folks who are representing the high schools to come help me hand out the
5 proclamations. So a little bit more room. Keep going down. So we are really thrilled and
6 honored to be joined this morning by these very brilliant high school students, and we are
7 so proud in Montgomery County to have one of the finest school systems in all of the
8 country. And so this year, like a lot of years, we're joined by many high school students
9 who have achieved a great, great thing, because the Intel Science Search is considered
10 the junior Nobel Prize from around the country, and so we once again have a great
11 representation from Montgomery County. I was on the web site last night looking at who
12 from around the country actually made it to this level, and we have a very large contingent
13 of talent from Montgomery County. So I would like for the teachers and the principals to
14 come up forward with me because one of the things that I realized last night is that I won't
15 be able to pronounce everybody's last name, so I think what I'm going to try to do, if you'll
16 indulge me, is just to read the proclamation, and I will do my best to pronounce all your
17 first names. Whereas the Intel Science Talent Search is one of the most prestigious and
18 rigorous science competitions for high school students in the United States and is often
19 called "the junior Nobel Prize," and whereas the semi-finalists of the Intel Science Talent
20 Search 2009 were chosen from among 1,600 entrants representing 495 high schools and
21 46 states, the District of Columbia, Puerto Rico, and 5 overseas schools, and whereas 17
22 Montgomery County public high school students were recently named semi-finalists in the
23 Intel Science Talent Search, having submitted highly advanced projects for review in fields
24 ranging from physics to computer science, medicine, earth science, and beyond, and
25 whereas 12 of the semi-finalists attend Montgomery Blair High School, two are from Walt
26 Whitman High School, and there was one semi-finalist from each of Gaithersburg, Walter
27 Johnson, and Wootton High Schools, and whereas each of the 300 outstanding achievers
28 received \$1,000 in recognition of his or her accomplishment, and each school attended by
29 a semi-finalist received \$1,000 per semi-finalist for its science and math education
30 programs, and now therefore be it resolved that the Montgomery County Council
31 recognizes and commends--and I'm going to read these names--Eric An, Christopher
32 Bodine, Jean Fan, Anton Frolenkov, Edward Gan, Akimitsu Hogge, Ansh Johri, Sneha
33 Kannan, Debattama Sen, Benjamin Shih, Sang Tian, Srinivas--I'm really sorry about this
34 name, but...Srinivas...

35
36 DENNIS HEIDLER:

37 Srinivan.

38
39 COUNCILMEMBER ERVIN:



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1 Srinivan. Thank you. ...Of Montgomery Blair High School. Kavitha--I'm not going to try
2 your last name, and David Su-- is that correct? Of Walt Whitman High School. Sikandar
3 Porter-Gill of Gaithersburg High School, Re-I Chin of Walter Johnson High School, and
4 Philip Kong of Wootton High School, on their impressive achievements, and extends its
5 best wishes to each as they continue in their chosen fields. Presented on this third day of
6 March in the year 2009, signed by Council President Phil Andrews. And so, every year
7 that we've done this, we've asked a couple of the students to come forward and tell us
8 about their project. So I'm going to ask each of the gentlemen here next to me to call on
9 one student and to quickly tell us a little bit about their project. So, Dennis, would you like
10 to go first?

11
12 UNIDENTIFIED

13 Sikandar, why don't you come up first?

14
15 COUNCILMEMBER ERVIN:

16 Here you go. Just speak into this microphone. Tell us a little bit.

17
18 SIKANDAR PORTER-GILL:

19 Hello. My name is Sikandar Porter-Gill, and I am from Gaithersburg High School, and my
20 project was cumulative over several years, working on bio-fuels. And I was able to design
21 several different types of microbial fuel cells and-- using designs from current scientists--
22 and make them more cost-effective, for hope that in the future we'll be able to use bio-
23 fuels instead of our current carbon-based fuels. And I was able to design a microbial fuel
24 cell that's able to take waste water, in some cases, and produce electricity and methane,
25 and these both can be used as alternative energies in the future.

26
27 COUNCILMEMBER ERVIN:

28 Wow. Thank you very much. There are a couple of Councilmembers who might want to
29 talk to you after.

30
31 SNEHA KANNAN:

32 Hi. My name is Sneha Kannan. I'm from Montgomery Blair High School, and my project
33 was working with cancer therapy, and I basically invented a polymer, which is a large
34 molecule, that would be delivered to cancer cells, and you'd be able to bind a drug to this
35 polymer--any kind of drug--and in the cancer cells, it would completely disintegrate. There
36 is a protein in cancer cells, and it completely obliterates this polymer, releasing the entire
37 drug load. And the reason that this is so important is because chemotherapy--I don't know
38 if any of you have seen patients with chemo, but it's very toxic. They lose all their hair.
39 They have very bad digestive issues because cancer drugs are toxic to cells that aren't
40 just cancer. They're toxic to anything that divides really quickly, which is why your hair falls

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1 out. And this polymer, it specifically targets cancer cells, because it's only obliterated in
2 cancer cells. So it doesn't kill off any of your healthy cells, so... Hopefully in--if my mentor
3 and I continue, or plan to continue with this idea, in developing this polymer, and hopefully
4 in about 10 years, maybe you'll see it in clinical trials. So it's kind of exciting.

5
6 COUNCILMEMBER ERVIN:
7 That's very exciting.

8
9 UNIDENTIFIED
10 Kavi? David is letting the lady go first.

11
12 COUNCILMEMBER ERVIN:
13 OK.

14
15 UNIDENTIFIED
16 And maybe only.

17
18 KAVITHA ANANDALINGAM:
19 Hi. I'm Kavi Anandalingam, and I go to Walt Whitman High School. I worked this summer
20 at NIH's unit on growth and obesity, and my project--in my project, I indentified a gene that
21 was associated with an increase in BMI in children, and then I compared the genetic result
22 to psychometric questionnaires and found that the children also had an increase in eating
23 in the absence of hunger and loss of control of eating. So in the future, we'll look more at
24 the mechanism of the gene and exactly how it works, and we think that, through
25 behavioral therapy, we can combat the symptoms and hopefully, the children will be able
26 to lose weight.

27
28 COUNCILMEMBER ERVIN:
29 Thank you. David?

30
31 DAVID SU:
32 You said just one from each school, right?

33
34 COUNCILMEMBER ERVIN:
35 Oh, I-- well, you should have an opportunity, as well, David. Thank you.

36
37 UNIDENTIFIED
38 I don't know if he wanted it, but go ahead.

39
40 COUNCILMEMBER ERVIN:



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1 OK, well, now he has it.

2
3 DAVID SU:

4 All right. So--

5
6 COUNCILMEMBER ERVIN:

7 Speak right there into the microphone.

8
9 DAVID SU:

10 So what I did pretty much was, over the last two summers, I worked at the George
11 Washington University Medical Center, and I worked with malignant melanoma, which is a
12 type of skin cancer. And I identified two different kinds of malignant melanoma, two types
13 that have their own specific apoptosis survival pathways, and I--through my research, I
14 determined ways to possibly exploit these pathways in an attempt to possibly develop a
15 drug that specifically kills malignant melanoma cells based on these two different types,
16 and not injure normal cells at all.

17
18 COUNCILMEMBER ERVIN:

19 Thank you very much. So as you can see here, right in our midst in Montgomery County,
20 we could find the cures for cancer and move very far in the direction of not having to use
21 oil and gasoline in our cars. And so, we are so very proud of the funding that we give to
22 our public schools, because behind me is an example of what we have homegrown right
23 here in Montgomery County, and we have a lot to be thankful for and excited about. So
24 thank you all. I have here for all of you a proclamation signed by the Council President,
25 which I will then divide up and give them to your principals and your teachers, because
26 they're all mixed up. But let's have some photographs taken. I think we're done with our
27 presentation. Yes.

28
29 NEIL GREENBERGER:

30 If you get everybody a little closer together, making two or 3 rows, that would be great. All
31 those people in the back, ?????? would be great. If just a few people could hold up the
32 proclamation. Doesn't matter who. Everybody come closer. That's OK. Come on up close.
33 Come on. Don't be scared. I'm going to have to--if you can't see me, I'm not going to be
34 able to get good pictures. You have to be able to see me.

35
36 COUNCILMEMBER ERVIN:

37 I think that one of you-- you hold that. Let me stand next to you.

38
39 NEIL GREENBERGER:



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1 OK. That's good. Our advisors--make sure we get everybody in here. On either side is
2 great. OK. We're going to take a bunch of these, some with the flash, some without. Key
3 thing--smile throughout all of them, and look happy because this is a good time. Here we
4 go. Pretty good. ????? OK, everyone, a few big smiles here. There we go. That's pretty
5 good. Thank you.

6
7 COUNCILMEMBER ERVIN:

8 Thank you all for coming. Thank you so much. All of these are yours. Congratulations, you
9 guys. Those are all yours.

10
11 DENNIS HEIDLER:

12 Thank you very much.

13
14 COUNCIL PRESIDENT ANDREWS:

15 Well, congratulations again to all of our talented students, and thank you for being here
16 today, and we join the parents and the teachers and other leaders of the school system
17 who take pride in their accomplishments. Thank you for all coming out today. Let's give
18 them one more hand-- one more round of applause. I want to, on behalf of the Council,
19 take a moment to wish our County Executive a speedy recovery. As you know, he was
20 involved-- his car that he was in with his wife Catherine was hit by an apparent drunk
21 driver a couple of nights ago, and I think he's a little sore from the experience, but
22 thankfully, there are no serious injuries from the incident, and we're grateful for that, and
23 we wish our County Executive Ike Leggett a speedy recovery. We look forward to seeing
24 him again very shortly. I also want to take a moment to just thank the employees of the
25 Department of General Services and of our Council staff, and there were many, who
26 played a hand in getting the details of this room right. And we will acknowledge them more
27 formally at a future meeting, but we want to thank them for the hard work that they did.
28 We're now going to go on to general business and announcements, agenda and calendar
29 changes. Miss Lauer.

30
31 LINDA LAUER:

32 Good morning. The first item is the Council is ready to announce the dates for the
33 Operating Budget public hearings, and those will be held at 7 p.m. on the evenings of April
34 13, 14, 15, and 16, and then at 1:30 also on April 15. Signups will be taken beginning
35 March 16. And then we do have one petition we've received this week, and that's from
36 residents supporting the operations and renovation of the Gaithersburg library.

37
38 COUNCIL PRESIDENT ANDREWS:



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1 Thank you very much. Our next item is action on approval of the minutes of February 3,
2 10, and 12, 2009, and approval of Closed Session minutes of February 10, 2009. I think
3 we can take them together, I believe. So is there a motion for approval?

4
5 COUNCILMEMBER LEVENTHAL:

6 Let's approve the minutes.

7
8 COUNCIL PRESIDENT ANDREWS:

9 All right. Motion by Councilmember Elrich. Seconded by Councilmember Leventhal. All in
10 favor of approving those minutes, please raise your hand. And that is unanimous among
11 the Councilmembers present. That is unanimous among the Councilmembers, I should
12 say. Our Consent Calendar is next. Is there motion for approval?

13
14 COUNCILMEMBER KNAPP:

15 Move approval.

16
17 COUNCILMEMBER ERVIN:

18 Second.

19
20 COUNCIL PRESIDENT ANDREWS:

21 Moved by Councilmember Knapp and seconded by Councilmember Ervin. Is there any
22 discussion about the Consent Calendar? I don't see any, but I will just say that we are, as
23 part of this Consent Calendar, approving a recommendation for nomination to the Board
24 of Investment Trustees of Mr. Lodge Gillespie, Jr., and we thank him for his continued
25 service on the board. One of the most important roles that residents can play in this
26 county is helping us by serving on boards and commissions, and we thank them for doing
27 that, and we thank Mr. Lodge Gillespie for being willing to serve again on the board. And
28 with that, I don't see any other comments. We'll go ahead and then vote on the Consent
29 Calendar. All in favor--do you have a-- Miss Floreen.

30
31 COUNCILMEMBER FLOREEN:

32 Yes. Thank you. I'm learning to-- which button to press here. I just want to draw
33 everyone's attention to Item A, which is a supplemental appropriation to the public school
34 system, in the amount of nearly \$700,000 for retrofitting school buses with emission
35 reduction devices. This is an initiative we've been supporting for many years, and I am
36 very pleased that they have secured a federal grant to assist them in this. School buses
37 are a major contributor to air quality issues and very expensive to fix, so I wanted to
38 express my appreciation to MCPS for seizing the moment and finding the cash that is not
39 coming off of our taxpayers' backs here.



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1 COUNCIL PRESIDENT ANDREWS:

2 Thank you, Councilmember Floreen. And that is good news--that it's a federal grant that is
3 providing the source of funds for that. All right. I think we're ready for the Consent
4 Calendar vote, then. All those in favor of the Consent Calendar, please raise your hands.
5 And that is unanimous. We'll now move on to the Legislative Session, day number 9, and
6 their introduction of bills. There are no bills to be introduced this morning, but we do have
7 a bill for final reading--Expedited Bill 2-09, Property Tax Credits - Renewable Energy -
8 Amendments. The MFP Committee has recommended approval with amendments, and I'll
9 turn to the chair of the MFP Committee, Councilmember Trachtenberg.

10
11 COUNCILMEMBER TRACHTENBERG:

12 OK. Thank you, President Andrews. We have Bill 2-09, the property tax credit for
13 renewable energy amendments before us. The Committee recommendation,
14 unanimously, was to approve the bill as proposed, with one clarifying amendment--
15 basically an amendment that makes it very clear that the Council's intent in passing the
16 tax credit was to allow the credit only for the individual owner-occupied residential
17 buildings. And with that, I would ask for the body's approval of the bill as introduced and
18 as amended.

19
20 COUNCIL PRESIDENT ANDREWS:

21 Thank you, Councilmember Trachtenberg. Councilmember Berliner.

22
23 COUNCIL VICE PRESIDENT BERLINER:

24 Let me thank the MFP Committee for its work with respect to this. This was a matter that,
25 quite frankly, came as a surprise to many of us--that there had been an interpretation of
26 the original legislation that we passed to encourage property tax relief for people that put
27 on solar energy, and that we had capped it at 50%, yet there was an interpretation by our
28 county lawyers that made it so that that cap was not effective. So this language was just
29 simply necessary to ensure that we made it very clear that we have a 50% cap across the
30 board with respect to solar. So I appreciate our working quickly with respect to this
31 because we want to "husband" our county resources appropriately and make sure that we
32 spread these dollars out to the maximum number of participants. So...thank you.

33
34 COUNCIL PRESIDENT ANDREWS:

35 Thank you, Councilmember Berliner. I don't see any other comments from
36 Councilmembers, so we are ready to vote on the Expedited Bill 2-09, and this is a roll-call
37 vote, so would the clerk please call the roll.

38
39 LINDA LAUER:

40 Mr. Elrich.

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1
2 COUNCILMEMBER ELRICH:
3 Yes.
4
5 LINDA LAUER:
6 Miss Trachtenberg.
7
8 COUNCILMEMBER TRACHTENBERG:
9 Yes.
10
11 LINDA LAUER:
12 Miss Floreen.
13
14 COUNCILMEMBER FLOREEN:
15 Yes.
16
17 LINDA LAUER:
18 Mr. Leventhal.
19
20 COUNCILMEMBER LEVENTHAL:
21 Yes.
22
23 LINDA LAUER:
24 Miss Ervin.
25
26 COUNCILMEMBER ERVIN:
27 Yes.
28
29 LINDA LAUER:
30 Mr. Knapp.
31
32 COUNCILMEMBER KNAPP:
33 Yes.
34
35 LINDA LAUER:
36 Mr. Berliner.
37
38 COUNCIL VICE PRESIDENT BERLINER:
39 Yes.
40



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1 LINDA LAUER:

2 Mr. Andrews.

3
4 COUNCIL PRESIDENT ANDREWS:

5 Yes. Bill 2-09 is adopted unanimously, 8-0. We're now going to move on to the District
6 Council session, and we have an action on a request for oral argument and/or
7 consideration of the Hearing Examiner's report and recommendation. The Council can
8 make a decision either about the oral argument and/or can make a decision about the
9 report itself. And we have our Hearing Examiner who heard this case before us, and Jeff
10 Zyontz, our attorney on all matters zoning. So welcome.

11
12 MARTY GROSSMAN:

13 Thank you, Mr. President.

14
15 COUNCIL PRESIDENT ANDREWS:

16 And would you like to make a couple comments about the matter?

17
18 MARTY GROSSMAN:

19 Certainly, Mr. President--although those young people we had are a tough act to follow. I
20 can't say that I invented a polymer to help fight cancer, but I did hold a hearing.

21
22 COUNCIL PRESIDENT ANDREWS:

23 Well, everyone has different talents, and you bring your own to the table. We're delighted
24 that there are so many people that understand --or at least the students understand what
25 they're doing.

26
27 MARTY GROSSMAN:

28 Right. This is not a rezoning case. This is an application for amendment to a schematic
29 development plan that was approved by the Council on April 25, 1989, in LMA G-627. In
30 that act, the Council reclassified 4.84 acres of land at 900 Olney Sandy Spring Road--
31 Maryland 108--in Sandy Spring, Maryland, into the O-M Zone and accepted the 1989 plan
32 to develop the property by adding a computer center, now known as the Moore Building,
33 to two existing buildings. The 3 buildings currently on the site contain 51,077 square feet
34 of floor area. The site is both in the O-M Zone and in the Sandy Spring Rural Village
35 Overlay Zone. In addition, the CT Zone standards, development standards, apply by virtue
36 of the Council resolution approving this development. The present DPA, or SDPA, 08-2,
37 would add an additional building and a parking facility, and that building is known as the
38 Thomas Building. It would be no more than 35,000 square feet--I'm being adjusted here--
39 35,000 square feet of gross floor area and would be no more than 30 feet, or 2.5 stories,
40 tall by its binding elements. The most significant issue in the case was the question of

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1 compatibility with this historic area because the entire site, or half of the entire site on
2 which this new building would lie, is in the historic--the Sandy Spring Historic District.
3 However, the specific part of that site, the western half of that site, where the new building
4 and parking facility would lie, would not disturb the historic area. It would not be in the
5 historic area. However, the entire site, as I say--half of the site, the eastern portion, is in
6 the historic district. There were also question about compatibility with adjacent
7 townhouses. And I found that there was compatibility with the adjacent townhouses
8 because--actually, what is being replaced here is a parking--as far as the parking facility is
9 concerned, is a parking lot that holds, on the surface, 66 cars now. The deck of the new
10 parking facility would hold 55 cars. I didn't find that this would be significantly disturbing to
11 the surrounding area, in spite of the testimony of some of the residents there. However,
12 there is a legitimate concern about compatibility with the historic district. When the case
13 first came up for hearing, the technical staff memo said that the matter would be submitted
14 to the Historic Preservation Commission. It turns out that there was an error--they left out
15 the word "not," and in fact, it would not be submitted to the Historic Preservation
16 Commission. I questioned that because I felt that it was a matter that ought to be
17 considered by the Historic Preservation Commission, and when some additional binding
18 elements were suggested at the hearing, I sent the whole package back to technical staff
19 and asked whether or not they would reconsider that. They decided no, that they felt that it
20 was outside--the actual construction area was outside of the historic district, and so it
21 should not go to the Historic Preservation Commission. Obviously, residents in the area
22 who testified, the People's Counsel, who stated his position, all felt that it should go to the
23 Historic Preservation Commission, as do I, and I have recommended a condition on
24 approval here that would require submission to the Historic Preservation Commission.
25 One of the citizens who testified felt that it should go to the Historic Preservation
26 Commission prior to it going to the Council. The People's Counsel felt strongly that it
27 should go in the normal course afterward, when more details would be available. I think
28 that that is probably the better position, and that's what I have recommended here.

29
30 COUNCIL PRESIDENT ANDREWS:

31 Thank you very much. Mr. Zyontz, do you have any comments?

32
33 JEFF ZYONTZ:

34 I do. The initial decision for the Council is whether to grant or deny oral argument, and
35 then it can proceed to the merits of the case. You had two requests for oral argument,
36 both on the basis of its compatibility with the historic district and with the rural character of
37 the surrounding area. So it's up to the Council to grant or deny, as the Council President
38 said, at your discretion, or for any other reason that you might want to hear oral argument.

39
40 COUNCIL PRESIDENT ANDREWS:



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1 OK. Thank you very much. We have-- Councilmember Elrich has a comment.

2
3 COUNCILMEMBER ELRICH:

4 I would like to hear the oral argument on the historic matter. I think you raise it as a
5 legitimate issue. I'd like to have the opportunity to hear more about that argument.

6
7 JEFF ZYONTZ:

8 Just to be clear, what was requested in the request for oral argument was on the
9 compatibility with the two. The issue the Hearing Examiner raised was the jurisdiction of
10 the Historic Preservation Commission, which is a different issue, I believe.

11
12 COUNCILMEMBER ELRICH:

13 I guess this isn't something to be solved in this, but it would be nice if we could figure out a
14 way to get packets that had better pictures and better renderings of what it is we're looking
15 at, because I've got to say that, you know, while you've done everything that's required,
16 when I'm asked to look at something and think about compatibility, it's kind of hard to tell
17 from the kind of stuff that's included in a packet where the issues of compatibility lie. And I
18 imagine that you probably saw something more than what's in this packet. I would hope
19 you saw something more than what's in this packet, and certainly on a larger scale than
20 what we get. And I know that I'm now prohibited--I remember my lesson from last time,
21 that I can't go on to the Web and I can't drive by it and I can't think about it. So I'd like to
22 figure out a way to get more information when I have to weigh things like this because this
23 is something that's pretty appearance-driven, if nothing else.

24
25 MARTY GROSSMAN:

26 I always see the site, so I get a better understanding on the evidence as it comes in--not
27 as a formal site visit, but just so I'm familiar with the area, so I can understand the
28 evidence. That does give me an upper hand on that. As far as the exhibits, yes, we have
29 large versions of what are reduced to small versions in your packet, and certainly they're
30 available for inspection at any time by the Council.

31
32 COUNCILMEMBER ELRICH:

33 You just raised a really interesting question. If it's all right for you to go to look at a site so
34 you have a sense of what you're talking about, why is it not all right for the Council to go to
35 a site and have a sense--because if we essentially have to affirm or deny your position
36 and you've gone to the site to gather what I guess you must think is relevant information,
37 at least in your own head, in weighing the information, shouldn't we be able to go look at a
38 site? I understand being prohibited from talking to people and having a conversation about
39 why or why it should not be done, but if you find it useful, wouldn't we find it useful?

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1 MARTY GROSSMAN:

2 Well, what I've done--I announce on the record at the hearing that I visited the site and
3 ask if there's any objection to that, and I explained that it is not a formal site visit. If it's a
4 formal site visit, then counsel would have a right to be present. There would be a court
5 reporter. Things cannot be--there are restrictions on what would happen there, and it
6 becomes cumbersome, certainly if you had an entire Council going out to a site to visit. So
7 mine is in reference to what is announced on the record.

8
9 JEFF ZYONTZ:

10 And the ability for both parties to cross-examine whatever findings or observation the
11 Hearing Examiner had on that visit is available while that record is open. When you go
12 there independently and have some observation that may or may not be refuted, you're
13 just doing an independent investigation. Other jurisdictions explicitly prohibit independent
14 investigation when things are decided on the record. Our legislation is a little bit more
15 general than that.

16
17 COUNCILMEMBER ELRICH:

18 OK.

19
20 COUNCIL PRESIDENT ANDREWS:

21 Right. And I think it also should be said that there's no limit on thinking, but the
22 consideration of the issue has to be limited to what's in the record, in terms of our
23 evaluation of the decision--what our decision is. Is that correct?

24
25 JEFF ZYONTZ:

26 Yeah. You cannot consider things outside of the record.

27
28 COUNCIL PRESIDENT ANDREWS:

29 Thank you. OK. Councilmember Floreen is next.

30
31 COUNCILMEMBER FLOREEN:

32 OK. Thank you. On the issue of Historic Preservation Commission review...

33
34 MARTY GROSSMAN:

35 Yes.

36
37 COUNCILMEMBER FLOREEN:

38 This was a matter of debate before you?

39
40 MARTY GROSSMAN:



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1 Yes. Well, the--

2
3 COUNCILMEMBER FLOREEN:

4 Or between you and Park and Planning?

5
6 MARTY GROSSMAN:

7 Yes, and it certainly came up at the hearing, as well. Park and Planning felt, as they
8 expressed in a number of memos to me that are in the record, that it is--since it is outside
9 the district, the historic district--

10
11 COUNCILMEMBER FLOREEN:

12 It's outside the historic district.

13
14 MARTY GROSSMAN:

15 That is, the construction area. The site itself, however, is half--half of the site itself is within
16 the historic district.

17
18 COUNCILMEMBER FLOREEN:

19 Is it within the area...So, in terms of any other legislative or legal determination, the
20 property-- the part of this that is going to be developed is not within any previous
21 designation of being historic or typically-- I'm searching for the term we typically use.

22
23 JEFF ZYONTZ:

24 Environmental setting?

25
26 COUNCILMEMBER FLOREEN:

27 The environmental setting--thank you very much, Mr. Zyontz-- of the historic district. And
28 the reason I ask is, given what the conversation before you was, I can see how this would
29 certainly be a matter of interest, but I am wondering about the legal implications of saying
30 when something is near something that's been historic, do we invite the Historic
31 Preservation Commission to weigh in?

32
33 MARTY GROSSMAN:

34 Right. The environmental setting is defined in the Historic Preservation statute, and in its
35 definition, it talks about the entire parcel on which there is going to be any development.
36 There's a question about what is meant by "the entire parcel." I interpreted that broadly
37 because I felt that, in this case, the entire site is--or half of the entire site is in the historic
38 district. And I interpreted that to be part of the parcel. There will be subdivision here. It
39 may all be one parcel. And the best way to understand it, if you turn to circles 34 and 35 in
40 the record, you'll see two diagrams here. On the left, circle 34, you'll see one where the--



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1 the eastern portion, where you can see the Moore Building labeled in the middle. That
2 whole portion is in the historic district, as you can see from the diagram on exhibit --on
3 circle 35. You'll see a dashed line in the middle of the diagram on circle 34. Everything to
4 the left of that, the west of that, is the area that will be developed with the Thomas
5 Building and the parking--

6
7 COUNCILMEMBER FLOREEN:

8 So that's where the activity would take place.
9

10 MARTY GROSSMAN:

11 Right, that's where the activity would take place. However, the entire area outlined in black
12 on circle 34 is the site, because presently there are 3 buildings on the site. Just to the--
13 and out of a notch, the northern notch there is a bank, and that's not in the site.
14

15 COUNCILMEMBER FLOREEN:

16 And what would you have the HPC determine?
17

18 MARTY GROSSMAN:

19 I would have the HPC determine, first of all, its own jurisdiction in terms of whether or not
20 they should be reviewing something which is outside of the historic district--
21

22 COUNCILMEMBER FLOREEN:

23 Well, if we ask them to do it, they will be directed to do it, but what would they be--what
24 would they actually be evaluating?
25

26 MARTY GROSSMAN:

27 Well, my recommendation is that the Council instruct that the Planning Board send it to
28 the HPC for two purposes--one is to determine their own jurisdiction, and secondly to, if
29 they find that, to make the evaluation of the substances. And I would have them determine
30 the compatibility of the proposal, especially the parking facility, with the adjacent historic
31 district.
32

33 COUNCILMEMBER FLOREEN:

34 OK. All right. Well, understanding that, I would move that we set this for oral argument,
35 focusing on two issues--the issue of compatibility, A, and I would have them address the
36 issue of the role of HPC in this.
37

38 COUNCILMEMBER ELRICH:

39 I'll second that.
40



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1 COUNCIL PRESIDENT ANDREWS:

2 OK. There's a motion for an oral hearing made by Councilmember Floreen, seconded by
3 Councilmember Elrich. Councilmember Berliner is next.

4
5 COUNCIL VICE PRESIDENT BERLINER:

6 I'm a little confused, which is better than normal. Did I understand you to say that one of
7 your binding elements was to send this to the Historic Preservation Commission?

8
9 MARTY GROSSMAN:

10 No, it's not a binding element on the SDP. It would be a condition that would be imposed
11 by the Council as part of its approval of the development plan amendment. Usually, if it
12 were a rezoning, the Council cannot set a condition on a rezoning. But it can, it seems to
13 me-- and I know of no--and I asked the parties whether there was anything that restricted
14 the Council from setting a condition on the approval of a schematic development plan
15 amendment, and nobody indicated there was. I know of no restriction on that, so the
16 Council could set that as a condition of its resolution.

17
18 COUNCIL VICE PRESIDENT BERLINER:

19 So if I understand the nature of the debate, which hinges in some part on compatibility,
20 the way you've set this up is that we would, in effect, determine compatibility. You've
21 assessed that--your view is that it is compatible.

22
23 MARTY GROSSMAN:

24 It's compatible given the binding elements-- the list of binding elements there--and the role
25 that this particular overlay zone gives to the Planning Board, which is very explicit
26 directions for the Planning Board to review these specific kinds of issues, and §59-C-
27 18.184 and 18.186 is very explicit about requiring them to make these kinds of reviews in
28 this particular zone. So given those circumstances and the binding elements, which limit
29 the size of this proposed building, I find it compatible.

30
31 COUNCIL VICE PRESIDENT BERLINER:

32 And to the extent to which there is an issue with respect to historic preservation, that
33 would be addressed by the "condition" that you have suggested that we impose upon it,
34 which is to send this to them, and then they can make a determination, A, with respect to
35 their jurisdiction, and, B, if they find their jurisdiction invoked, to presumably establish
36 some further conditions upon which that property would be--could go forward with
37 development?

38
39 MARTY GROSSMAN:



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1 That's correct. I mean, they would have to-- if they find that they have jurisdiction, then
2 they would have to issue work permits, historic work permits, to permit any development
3 in this area. The specific condition I suggested was--if you look on circle 24, the last
4 clause says, "and that the Planning Board refers this matter to the Historic Preservation
5 Commission (HPC) in conjunction with subdivision and site plan review, so that the HPC
6 may determine its jurisdiction and review this proposal, as appropriate."
7

8 COUNCIL VICE PRESIDENT BERLINER:

9 The reason for my inquiry with respect to this is, I guess normally I am a proponent of oral
10 argument, but I perceive this condition to be sufficient to address the issue. I just don't
11 know what further we could glean by oral argument, given the condition that's been
12 imposed, insofar as the fundamental issue will indeed be addressed after we act on this. I
13 don't--Jeff, am I understanding this correctly from your perspective?
14

15 JEFF ZYONTZ:

16 I mean, this is up to your discretion. Certainly the Hearing Examiner has spent lots of time
17 and effort to make conditions that he believes will yield supportable findings, so it's up to
18 you. If you are satisfied, you are satisfied.
19

20 COUNCIL VICE PRESIDENT BERLINER:

21 Well, I guess if I-- I don't understand what we would necessarily gain by having this matter
22 referred in the first instance. I don't know what the benefit of that would be. You concluded
23 otherwise, and concluded as a matter of law otherwise, that it should not be, as I
24 understood it.
25

26 MARTY GROSSMAN:

27 I don't--I wouldn't say I concluded as a matter of law that it shouldn't be. It has been the
28 practice, as I understand it, especially from the statements of the People's Counsel, that
29 these kinds of things go to the Historic Preservation Commission, if they are appropriate
30 for that, at the time of site plan and subdivision, where they have more details to look at
31 and can more effectively analyze it. One witness from the community, Mr. Wright--Alan
32 Wright--who strongly felt that postponing the review by the Historic Preservation
33 Commission until that stage--that is, after approval by the Council-- would be viewed by
34 the HPC as kind of a fait accompli--that is that, now the Council has approved it, and all
35 they have to do is tinker with the details. And I didn't feel that that was the case, but that
36 was the concern, I think, that Mr. Wright had, that it would not --it would all be
37 accomplished by then, and he wouldn't really be able to change his fundamental objection
38 to there being a parking facility in or next to an historic district. The parking facility itself is
39 two levels. The lower level is underground. The upper level is in part at ground level. But
40 because there's a grade, about 9 feet at one of the corners would show, and then there's



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1 a 3-foot wall above that, so it would be a total of 12 feet aboveground at one of the
2 corners here. So his feeling was that it should not--that that kind of a structure should not
3 exist at the--next to an historic district. And the evidence, as it came in, I questioned
4 closely the engineers as to whether or not it could be lowered still further. At least the
5 testimony from their engineers was that they could not, as a practical matter--and maybe
6 as a safety matter--lower the parking facility further into the ground. That's--you know,
7 that's the evidence that I have.

8
9 COUNCIL VICE PRESIDENT BERLINER:

10 Well, with respect to Mr. Wright's observations, I can't speak for my colleagues, but my
11 vote with respect to this is certainly without prejudice to the Historic Preservation
12 Commission doing what it is instructed to do, which is, A, to review its own jurisdiction,
13 and should it find its jurisdiction is invoked by this matter, to exercise its jurisdiction as it
14 deems appropriate. So I would say to Mr. Wright that I don't think our action here is in any
15 way prejudicial to him getting his full hearing, if you will, before the Historic Preservation
16 Commission.

17
18 COUNCIL PRESIDENT ANDREWS:

19 Thank you, Councilmember Berliner. I agree with that comment. And your report, your
20 recommendation, is conditioned upon the Historic Preservation having the ability--
21 considering whether to--the jurisdiction and considering how it should be conditioned by
22 them. So that is what's before us, and I would be concerned if that wasn't in there, but it is.
23 Also, I thought the point that was made by Mr. Castagna ?????, which is on circle 110 of
24 the packet, about the--the concern about flooding, was an important concern. And the
25 concern was that the water flows in the direction of the townhouses, which already have a
26 tremendous flooding problem, and also results in the loss of the majority of their woods,
27 and I think that is an important concern. I note that there was--in the recommendation by
28 the Planning Board, I think on 115, that-- maybe it's on 120--that although the--yeah, it's
29 on circle 120--"although the Department of Permitting Services has approved the storm
30 water management concept plan, the Planning Board should consider whether any other
31 location for the storm water management facility can be found to avoid the need for
32 removing so much of the forest." Because there certainly is an irony there, in removing the
33 trees to make room for a storm water management facility, and if there is a way to avoid
34 that, it may be that the storm water management facility provides better storm water
35 management than the forest does in terms of quantity, but certainly, the forest helps, and
36 it would be better if there is a way to have the storm water management facility located in
37 a way that it doesn't result in moving so much of the forest. I think that is an important
38 recommendation in here, as well. So with that, I am reasonably comfortable with your
39 recommendations, and although I have generally supported oral argument, I've been



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1 satisfied by your report and in terms of the issues that were raised and the
2 recommendations that are in it. Councilmember Elrich is next.

3
4 COUNCILMEMBER ELRICH:

5 If this were to go to the Historic Preservation Commission, would it also be in their purview
6 to discuss the mass of the building and its compatibility with the historic district? I think
7 that was the other issue that was raised, was the length of the building and the
8 compatibility of that 210-foot-long, or whatever it is long, building in the sense --compatible
9 with the rural nature of the area.

10
11 MARTY GROSSMAN:

12 Right. It's my understanding that they would have jurisdiction to determine the
13 compatibility with the historic district including bulk of the building --as with the Planning
14 Board. The Planning Board also has a role, certainly has a role to play at site plan and
15 subdivision as to the size. The actual sum of the limitations on the size of the building
16 were imposed by the recommendation of the Planning Board, which the applicant went
17 along with. The applicant, by the way, also agreed to the condition that I had suggested
18 about sending this to--although reluctantly, because they argue that it's not necessary--but
19 they agreed to the condition that I've suggested about sending it to the HPC to look at its
20 jurisdiction and evaluate the compatibility, if it's appropriate.

21
22 JEFF ZYONTZ:

23 If it goes to HPC and HPC determines it has jurisdiction, HPC must issue historic area
24 work permits at building permit. They would advise the Planning Board of their thinking in
25 preliminary plan and site plan. They have absolute authority on the issuance of that
26 permit, and then that decision might be appealable if somebody disputes that.

27
28 COUNCIL PRESIDENT ANDREWS:

29 Thank you, Councilmember Elrich. Councilmember Floreen.

30
31 COUNCILMEMBER FLOREEN:

32 Thank you. Well, I think this is an important conversation that we should have with the
33 benefit of all the parties. I am wondering--looking at the alignment of the land, as you
34 pointed out, Mr. Hearing Examiner, on circle 34, if you would make this same
35 recommendation if the property were two separate parcels or two separate pieces of
36 property.

37
38 MARTY GROSSMAN:

39 I don't think I --if they were not part of the same site, it would be a more difficult legal
40 argument...



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1
2 COUNCILMEMBER FLOREEN:

3 Be more difficult. Right.

4
5 MARTY GROSSMAN:

6 Because of the way that "environmental setting" is defined.

7
8 COUNCILMEMBER FLOREEN:

9 Yeah.

10
11 MARTY GROSSMAN:

12 One could argue, even broadly from that definition of environmental setting, that it
13 includes the ????? view shed, if you call it that, around the historic district. But there are
14 good arguments to limit historic district to the specific area.

15
16 COUNCILMEMBER FLOREEN:

17 Well, if the Council had meant that when it adopted the plan, it should have said it
18 someplace, just to give notice to people as to what the thoughts would be as to--to give
19 guidance to everyone as to how things are going to proceed. I am increasingly troubled,
20 listening to your exchange, as to what the--you know, where the decisions are going to be
21 made. I mean, if we were to approve binding elements here in the zoning case, or the kind
22 of case this is--an amendment of the development plan, basically --there's a binding--
23 that's sort of the decision to be had. But I think the community may be receiving different
24 messages that, well, actually, it's going to be resolved--not even by the Planning Board in
25 compatibility issues, but by HPC if it decides it's theirs to decide.

26
27 MARTY GROSSMAN:

28 Well, the HPC cannot change the binding elements. There are, I think, 11 binding
29 elements here that--

30
31 COUNCILMEMBER FLOREEN:

32 Except you just said in response to Councilmember Elrich that they would exercise--they
33 would address bulk and massing kinds of issues, which I believe are the community
34 concerns.

35
36 MARTY GROSSMAN:

37 Right, but they--

38
39 COUNCILMEMBER FLOREEN:

40 I'm guessing.



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1
2 MARTY GROSSMAN:

3 Right, but they can't increase them above what are limits in the binding elements.

4
5 COUNCILMEMBER FLOREEN:

6 Well, they can't increase it. They could decrease them significantly, right?

7
8 MARTY GROSSMAN:

9 Right. The binding elements set maximums.

10
11 COUNCILMEMBER FLOREEN:

12 So that would be--I think the question of who's in charge here is an important one. And I
13 don't know, based on your recommendations, who it is. I would have thought it would be
14 us, with the details to be sorted out at the Planning Board. What you're suggesting is that
15 the details would be sorted out at HPC, and I think that's real different from how we
16 traditionally use the Historic Preservation Commission. And I think it's worthy of a
17 conversation in oral argument, how this should proceed, because we're seeing this in
18 some other areas, as well, and I think it's good to talk about. Have you done this before--
19 made this kind of recommendation?

20
21 MARTY GROSSMAN:

22 No. I've never had the situation arise.

23
24 COUNCILMEMBER FLOREEN:

25 So this is a new horizon, really.

26
27 MARTY GROSSMAN:

28 Right. I felt that in this case, I needed to harmonize the statutes involved, which are the
29 HPC statute and the zoning ordinance, to get to the result I felt the Council intended in
30 drafting those two statutes. And I think that what this does is it reserves to the Council that
31 area where the Council set for itself as its review area and it leaves to the Historic
32 Preservation Commission that area which I thought was the Council's wish, in its statute,
33 to have the HPC look at.

34
35 COUNCILMEMBER FLOREEN:

36 And that's for us to determine. OK. Well, thank you. I continue to feel very strongly,
37 especially based on what we're hearing here, that this might have some significant
38 implications for other activity we're engaged in. Certainly we have some pending
39 legislation, and just understanding--if there are things to be coordinated more effectively,
40 we should be fully apprised of them as we move forward. Thank you.



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1
2 COUNCIL PRESIDENT ANDREWS:

3 Thank you, Councilmember Floreen. I don't see any other comments at this point, so
4 we're ready to vote on the motion for oral argument. All those in favor, please raise your
5 hands. That's Councilmember Elrich, Councilmember Floreen, Councilmember Knapp,
6 Councilmember Ervin, Councilmember Leventhal. All those opposed? That's
7 Councilmember Trachtenberg, myself, and Councilmember Berliner. The motion for oral
8 argument is approved, 5-3, and we will have oral argument scheduled for next Tuesday,
9 March 10, at 10:00 AM. As is the process in the past, each party will have 20 minutes to
10 present their oral argument. They can reserve time at the beginning to rebut, but they
11 have to do it at the beginning, and we need to give some guidance about what would be
12 the subject of the oral argument. Perhaps there was sufficient specificity in the discussion,
13 but is there a need to spell it out more, in your view?

14
15 JEFF ZYONTZ:

16 The first issue, of course, is compatibility, and the second was the appropriate role for the
17 HPC. Is that a good way to express that?

18
19 COUNCIL PRESIDENT ANDREWS:

20 That seems to be the focus.

21
22 COUNCILMEMBER FLOREEN:

23 Yes. That was my intent.

24
25 COUNCIL PRESIDENT ANDREWS:

26 OK. Very good. All right. Well, thank you all. We will be back next Tuesday for the oral
27 argument. Thank you all for being here.

28
29 MARTY GROSSMAN:

30 Thank you, Mr. President.

31
32 COUNCIL PRESIDENT ANDREWS:

33 We are now going to have a fiscal update. This is really a continuation of what we had
34 begun last week that we did not get to, and we appreciate the patience of the Executive
35 Branch staff who were not able to present last week because we ran out of time, but are
36 back this morning. And this is regarding the FY10 Operating Budget preparation and an
37 update on results-based budgeting and CountyStat. So we have several representatives
38 from the Executive Branch with us, and I'll have them introduce themselves for the viewing
39 audience. Mr. Beach, would you begin?



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1 JOE BEACH:

2 Joe Beach, Director of the Office of Management and Budget.

4 COUNCILMEMBER FLOREEN:

5 Press your button.

7 COUNCIL PRESIDENT ANDREWS:

8 Thank you.

10 FARIBA KASSIRI:

11 Thank you. Fariba Kassiri, Assistant Chief Administrative Officer.

13 CHRIS CIHLAR:

14 Chris Cihlar, the CountyStat Manager.

16 COUNCIL PRESIDENT ANDREWS:

17 OK. Thank you. And who's going to begin?

19 JOE BEACH:

20 OK. I'll start. Just--I guess I'm on circle page 20 of the packet that we had from last week,
21 and we just wanted to give you a very brief overview. We have, like, a 25-page
22 presentation, and we know our time is limited, so we're just going to try to hit the high
23 points here and talk to you very briefly about some of the progress we've made and some
24 of the issues related with moving to a results-based accountability system. On page 3 of
25 the presentation, we have--which would be circle page 21 of your packet-- is sort of the
26 basic definitions that we're using for CountyStat and results-based budgeting. Obviously,
27 CountyStat, their goal is to improve performance, and they have a variety of methods to
28 address that. And results-based budgeting is really orienting and aligning our budget
29 process--thank you --with the county's priority objectives. One of the main ways--not the
30 only way-- one of the main ways we're going to make that change in our budgeting
31 process and budgeting decisions will be to use performance information, both in the
32 preparation, review, and decisionmaking in our budget. A lot of other factors go into,
33 obviously, into resource allocation decisions besides performance, including legal
34 requirements, affordability, and other considerations, but performance, we believe, and
35 having better performance information, is absolutely going to improve our budget
36 decisionmaking processes, as well. One thing to stress before Fariba gets into some more
37 specifics about CountyStat is, this is a work in progress. Using--first of all, developing the
38 performance information, developing the performance measures, has been a long and
39 difficult process and a difficult thought process for directors and their staff, as well. And
40 relating that information to budget decisions is also-- it's very time-consuming. It's difficult.



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1 We think it's absolutely worth it to do that and to make that transition, but it is-- it is a
2 difficult process. As I mentioned, there's a lot more that goes into making a budget
3 besides performance information, but interpreting the data, having the right measures, is
4 proving a be a challenging process for us, but I think one absolutely worth doing. We've
5 made a lot of progress in developing departmental-level measures, in developing
6 program-level measures, but I want to stress, with the FY10 budget, it's really, I think, our
7 second year into this process. We consider it an iterative process. It's going to take
8 several years before we feel like we've really changed our processes, changed our
9 corporate culture, and have linked our systems both with the measures and with the
10 budgetary decisionmaking. So FY10 is a lot of progress, but really, I think we're in our
11 initial stages with this. Fariba?

12
13 FARIBA KASSIRI:

14 Yeah. As Joe mentioned, this is our actually second year doing the performance--trying to
15 develop a performance plan for Montgomery County. And this is our abbreviated version
16 of our presentation, and I know you have a very limited time so you can leave some time
17 for you to ask any question you may have. The CountyStat is a component of the results-
18 based accountability system, so our focus is on performance, and this--try to clearly
19 communicate the performance of the county government, performance of the
20 departments, and this chart is trying-- we try to summarize or actually maybe graphically
21 show you what we are talking about. Basically, our guiding principles are the County's 8
22 priority objectives that were developed by a group of 100 community representatives. It is
23 a very inclusive list about--it talks about the quality of life in Montgomery County. So
24 indicators would basically monitor the quality of life in Montgomery County and measure
25 the County's progress compared with some similar counties all over the country. And later
26 on, we're going to briefly show you the online system we have developed. The Headline
27 Performance Measure, departments' performance measures--that's basically monitoring
28 the departments' performance and what they do or what they should do--again, focus is
29 based on results--what results they are chartered to deliver to our community. And the last
30 box is our performance sub-measures that are focused on tying the budget to all the
31 Headline Measures or the County departments' core functions. With that, I'm going to ask--
32 - go to the next slide, and I'm going to briefly go over what we do in CountyStat. Our
33 CountyStat principles are-- we require data-driven performance, we promote strategic
34 governance, we increase government transparency, and our goal is to foster a culture of
35 accountability. We have 3 areas of focus this year. One was the capacity building.
36 Basically kind of what we've done--the core, I would say, accomplishments we've done is--
37 one was internal survey we've given to our departments. This was our second year, and
38 we are incorporating that in all the departments' performance plan. Second piece was--we
39 already have. We have developed this Rotational Fellowship Program. We are trying to
40 build the capacity in the Montgomery County government so we can change the culture



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1 and eventually it will become part of the system, rather than CountyStat operation trying to
2 drive this. And of course, one example is departmental internal overtime tracking system.
3 That was just one example of what we have done, which-- later on, we will just briefly go
4 over the results we have delivered there. Next slide, please. As far as the policy
5 translation--one of our focus areas--the first item is our performance dashboard. Last year,
6 we have gone through every single department's performance plan. We have developed a
7 series of outcome-based performance measures. And if you can click on the link for us,
8 please. This is going to go online very shortly. This is basically a summary of all the
9 Headline Measures that we developed for departments. It is tracking the performance,
10 and it's going to be available to all of our residents to see. If you can go to maybe the one
11 select department--DHCA, I think that may be a... The Result Area could be-- you can say
12 just "all." The second one, where it says Result Area--just "all." And performance--if you
13 can click Headline Measure first.

14
15 LINDA PRICE:
16 Headline Measure?

17
18 FARIBA KASSIRI:
19 Headline Measure. Right. "List All."

20
21 LINDA PRICE:
22 There you go.

23
24 FARIBA KASSIRI:
25 Yeah. And if you can search and...

26
27 LINDA PRICE:
28 I got it.

29
30 FARIBA KASSIRI:
31 OK. If you scroll down--for example, this is DHCA's Headline Performance Measures. And
32 let me see if I can read... The third one--you see the numbers that are under construction.
33 The goal of our efforts is to develop outcome measures, not output measures. Initially,
34 there were a number of measures that were submitted to us. They were mostly workload
35 measures. That's why we've developed some outcome measures. For example, the third
36 one, that's actually not performing well, is percentage of cases that achieved voluntary
37 compliance in code enforcement areas before a citation is written. So basically, the focus
38 is-- these are just the first glance or just snapshot of what we are doing. They are going to
39 get updated quarterly, and we're going to report them. They're going to be on the web site.



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1 Everybody can monitor this. And if you can click on the "Details" for us. The "Details"--any
2 "Details" will take us to some more information about each of those Headline Measures.

3
4 LINDA PRICE:

5 There's a pop-up blocker on this.

6
7 FARIBA KASSIRI:

8 OK. That's fine. The "Details" basically give us more additional information about that
9 Headline Measure. And then we have a group of sub-measures for DHCA. That's how
10 we're going to relate their performance to the budget--their budget-- and how we are
11 tracking the progress they are making for delivering results.

12
13 CHRIS CIHLAR:

14 I think the general thing to take away from this are--these are sort of programmatic
15 outcomes that we have for now--all departments. This is going to be a live system, so the
16 resident is going to be able to go in and track the progress of our departments and, by
17 specific programmatic outcomes--the details that we clicked on that didn't pop up--it's
18 because there's a pop-up blocker on there. But it has specific information about each one
19 of these measures that you can go back and track over time. Where there's a plus or a
20 minus arrow, there's room for the department to comment why the performance is going
21 up or down --what factors impacted that-- and that goes back to the performance plans,
22 where they're asked to discuss the restricting and contributing factors that relate to all their
23 performance. So that's where they would put in their justification for the improvement or
24 decrease. The system is live. We're ready to go with it. We'll probably have it up within the
25 next couple of weeks.

26
27 FARIBA KASSIRI:

28 OK. This is-- these are just Headline Measures. Each department have their own
29 performance measures that is a --basically very comprehensive documents. Sorry, but
30 they are posted on our web site. They're going to be reviewed on a yearly basis. Each
31 department that comes in, they come back with their restricting factors, their contributing
32 factors, and the strategies they're going to take to improve performance. And the goal is
33 always to focus on low-cost/no-cost solution-- no-cost/low-cost solutions. So these were
34 the Headline Measures, and the next item is our Indicators. The indicators we are trying--
35 these are high-level barometer of the county, the quality of life in Montgomery County.
36 And actually Chris did a lot of work in this area. He came up with a series of comparable
37 counties all over the country, so the data-- first requirement, the data has to be available,
38 so we cannot just compare anything. You should be able to collect the data on a very--
39 ????? access easily. The data should be available. And this one--you want to, Chris, go
40 over what it is.



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1
2 CHRIS CIHLAR:

3 OK. The general goal of the Indicator Project was--there's variables that are beyond the
4 control of any individual department, and a lot of times beyond the control of even the
5 government to influence. But these are not things that we should just ignore and say, "Oh,
6 well, this is where we are, statically." We tried to figure out a way that we could track
7 progress in Montgomery County on these high-level measures against some kind of
8 independent group of other variables. And so what we came up with was the idea to use
9 national similar counties--there's a whole methodology we went through to develop which
10 counties are similar to us. We're going to be able to track, for All Results Areas, outcome
11 measures that are these high-level variables. For affordable housing-- again, because we
12 just talked about DHCA--we have a set of them, and so there's 30 counties that are
13 included in the national benchmark.

14
15 FARIBA KASSIRI:

16 35.

17
18 CHRIS CIHLAR:

19 Well, there's-- yeah, 35. Some of those are local. We also did a regional benchmark which
20 includes COG districts. Some of those regionally benchmarked counties are included in
21 the national benchmark. This is home ownership rate, so you can see Montgomery
22 County is pretty much paralleling our comparable counties. The gray is the range of all
23 those comparable counties, to us. You can see how Montgomery County is doing in
24 comparison. The next one is the housing burden, and this is basically the people paying a
25 certain percent of their income toward housing. This is also nationally benchmarked. We
26 kind of lag behind our peers a little bit here, but we have actually made progress, and so I
27 would actually look at this as positive in that the difference was greater that first year
28 compared to how it is now. Here again, the housing burden --renters is actually going up,
29 which is not positive. The housing burden is higher here now. This is the median value of
30 owner-occupied housing. And again, I can go through all of these, but we have a set of
31 these for all of the outcome result areas, all of the 8 areas. There's a set of these
32 indicators. And really, the idea in CountyStat is, where we see divergence between us and
33 our peer group is where we will start having meetings to figure out what's causing that--
34 both positively and negatively. We want to know why we're having a positive impact just
35 as much as we will want to know why we're having maybe, perhaps, a decline. So that's
36 the Indicator Project.

37
38 FARIBA KASSIRI:

39 One thing I have to add. This was developed with the cooperation of all of our even
40 external agencies-- Park and Planning, schools, college, County Council.



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1
2 CHRIS CIHLAR:

3 Council actually participated, too. You had representatives in all the groups, where we
4 basically --we came to an agreement upon a set of measures, and the idea with these
5 benchmark measures is, I really need to be able to compare them on some national-level
6 database. So while there are certainly other indicators we would have liked to include, if
7 we can't benchmark them nationally-- and I'm talking about using the Census Bureau data
8 on a yearly basis. We take Health and Human Service data that's national. RealtyTrac is
9 how we get a lot of the housing data where it's nationally based, so have an independent
10 kind of arbitrary "this is the data collection." And while there are certainly methodological
11 problems with some of the data collection, it's neutral across all the jurisdiction, so we're
12 comparing apples to apples here.

13
14 FARIBA KASSIRI:

15 OK. Go to next slide. I know your time is limited. We're just going to try to show the
16 highlights. Next slide would be fine. Yeah. Yeah. The last components of our efforts were
17 data analysis and integration. And again, these are the focus areas that we help the
18 departments to try to "think data"--when they make a decision, and that this was already
19 have helping them. If you go to the last-- next slide, please. Yeah. These are--we wanted
20 to present a few examples of impact we have made with our efforts. The first was
21 managing overtime. I believe this was a very success story. What we've done is, we took
22 4 of our, I guess, departments with large use of overtime, and we developed this system,
23 and our focus was to look at the long-term trends, to look at what are those overtime-
24 generating events, and basically--time to go to the next slide. This was the result for last
25 calendar year. We were able to reduce the overtime use, as you see there --actually in
26 Fire & Rescue, by 20.3%, Police by 11.3%, Corrections 2.4, and DOT 5.1%. We are
27 implementing this--all of--we are going to have all the departments track this, and this is
28 by way of bringing them to the meeting and trying to explain, but honestly, it was the
29 departments that they came up with the solutions. For example, Fire & Rescue-- to chief's
30 credit, he basically --he's done a number of things, and a few of them I can share with
31 you. For example, he directed the scheduling of the overtime, and he required them to
32 back fill with the lower-paying employees. He's done some operational changes. He
33 reduced the EMS supervisors from 3 to two. He's done some enforcement of the sick
34 leave policy which was already in place, but wasn't being enforced. These are just
35 examples of-- so they are the ones that implemented, and--but as a result, we reduced
36 overtime.

37
38 CHRIS CIHLAR:

39 And as it relates to overtime, the focus of the meetings we have--we have specifically
40 where we'll track longer-term trends, but we also focus on individual topics each time. We



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1 generally look at overtime --we can reduce it in 3 ways. One, we can cut the hours. Two,
2 we can substitute lower-paying hours for higher-paying hours. And 3, we can substitute
3 full-time people for those overtime hours. And really, the full-time hours is almost--full-time
4 hours for overtime hours is almost never cost effective, so it's really the first two. And so
5 when--Fariba just mentioned the examples that the chief of fire has implemented. They
6 really relate to either trying to cut hours or trying to substitute lower-paying people into
7 those higher-paying overtime hours.

8
9 FARIBA KASSIRI:

10 Next slide, another example. This was pedestrian safety strategy we had. What we did
11 with our efforts, we focused. We basically said, what is the outcome that we are trying to
12 achieve, which was to reduce the pedestrian collision in Montgomery County. You know,
13 there are a lot of other, I would say, suggestion that was listed, but we tried to focus them,
14 and as a result, they developed a strategy, and we--we tried--we helped them to target
15 their efforts on those 3 areas. One was on what we call target location around schools.
16 There was some indication-- indicators--there was some indication that we have some
17 high concentration of the collision for senior citizens. And then the countywide approach.
18 As a result--if you can go to the next slide. Chris, you want to cover what you've
19 delivered?

20
21 CHRIS CIHLAR:

22 Well, I think the biggest thing with the Pedestrian Safety Initiative is, one, we've
23 documented a couple of programs that really do have an impact on the collisions. On the
24 Safe Routes to School Program, for instance, is a cost-effective--is a very affordable
25 program that has had a significant impact on collisions in those places where it's been
26 implemented. That's an area that DOT now has expanded, and they've also refocused
27 their scope on choosing schools. They're not just picking schools based on kind of an
28 arbitrary process, but really those schools where the collisions are most able to be
29 impacted by the program and what it does. The other thing that we do, I think, is we look
30 at the solutions that are being implemented to make sure they're being implemented
31 effectively. So you talk about lighting, for instance, and that's one of the things that we've
32 gone through --is we want to make sure that if, you know, lighting has had a minimal
33 impact, truly, on pedestrian collisions, but making sure that where there are lighting
34 projects, that that might have a potential to reduce collisions. So we really look at the
35 individual programs and figure out which are most effective. And lighting truly is, as far as
36 reducing collisions, is not something that has been overly effective in the County, as
37 implemented through the program, whereas the Safe Routes to School Program has. And
38 so trying to focus on which programs are most effective, and Safe Routes to School is
39 also much more cost effective than the lighting projects. That's what we do with the
40 Pedestrian Safety Initiative.



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1
2 FARIBA KASSIRI:

3 OK. The next one was Pedestrian-- I'm sorry. Positive Youth Development Initiative.
4 Again, we tried to focus the efforts. On this one, actually-- this is one of the initiatives that
5 we are now even--budget allocation is going to be--we are going to focus on the
6 outcomes. This is one of the programs that all impacted agencies got together and now
7 they are discussing their budget requests based on the outcomes, or results they're trying
8 to deliver.

9
10 CHRIS CIHLAR:

11 I think that what Fariba was alluding to is, they're working together as a collective to
12 present the Positive Youth Initiative when they're talking about their budget
13 recommendations, as opposed to having recommendations that come from police and
14 from--

15
16 FARIBA KASSIRI:
17 Recreation.

18
19 CHRIS CIHLAR:

20 Yeah, from Recreation and from HHS. They're working together to say, which programs
21 work together to have the most-- the best impact? And so they're kind of presenting their
22 budget that way. And ultimately, that's how we hope some of these programs will move,
23 down the line into the results-based budgeting arena. So, I mean, I think that through the
24 meetings that they've had, they really have started to work together as a team to figure out
25 how their programs, you know, can either have a greater or lesser impact, depending
26 upon how they align them.

27
28 FARIBA KASSIRI:

29 The last example is--may be, you know-- this is a very simple project or process that we
30 developed. You know, anytime because of ADR there's someone on administrative leave,
31 it causes a lot of overtime. So, Chris, you want to go over --briefly go over how we
32 improved the process?

33
34 CHRIS CIHLAR:

35 This one was included mostly to highlight how--we were talking about the overtime issue,
36 when I said before 3 ways to reduce overtime. One of them is reducing the hours. ADR is
37 an issue with Corrections, because when somebody goes out on discipline in Corrections,
38 they go home, and those hours have to be replaced by somebody who is then working in
39 the Correction facility. Cutting back the number of days that the ADR process takes would
40 inherent--would reduce the overtime by those many hours. One of the simple issues was



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1 just, they were mailing stuff down from Corrections down to ADR and then back up snail
2 mail, rather than FedEx'ing it. It costs \$13 to FedEx it, but you have somebody out for 3
3 days on overtime if you mail it snail mail. So just looking at trying to figure how we could
4 reduce the time between somebody going out on discipline and the ADR hearing has
5 reduced the overtime. In this particular case, it was \$50,000 in Corrections, on average,
6 over a year. But this also applies to Fire and Police and some other departments. So that
7 whole process has been implemented across the different departments.

8
9 FARIBA KASSIRI:

10 OK. I just wanted to briefly mention that it's--this was just a glimpse, or actually, kind of
11 just brief overview, of what we do. We would be more than happy to host a county staff
12 session to give a full presentation to the Council on every aspect of our operation. And if
13 you have any questions, you need to ask them.

14
15 COUNCIL PRESIDENT ANDREWS:

16 Thank you. Thank you very much for the presentation, and there are some comments. I
17 just want to make one quick point, and that is noting that saving \$5 million in overtime
18 between Calendar Year 07 and Calendar Year 08 is real progress. And I want to
19 commend you for the efforts and for all the departments that have made that happen. As
20 you noted, reducing--I think you noted--reducing the overtime hours is one way to get
21 there, but also reducing the average cost of the overtime hour by having people who are
22 able to do the overtime, but not at necessarily the highest level of the department do it,
23 also helps, too. So pushing the overtime down to the lowest rank that can do the job
24 saves money, as well, and I know that's part of the strategy. But \$3.5 million savings in
25 Fire & Rescue overtime in a year? That's 20% reduction. That's excellent, and I know
26 Interim Chief Bowers is working hard to push it further. So I want to say that's real
27 progress, and glad to see it. The Public Safety Committee has been dealing with issues
28 over the years, and there are essentially 3 types of overtime--there's emergency, there's
29 temporary, and there's structural, and the structural is the one that we should have the
30 greatest control over. And the reduction that Chief Bowers made in the--having two
31 battalion chiefs doing the supervision rather than the 3 is an example of getting the
32 structural overtime down. And so, good to see--glad to see the progress. Do have 3
33 Councilmembers, at least, with their lights on. I'm going to turn first to Councilmember
34 Elrich and then Councilmember Ervin and Councilmember Floreen.

35
36 COUNCILMEMBER ELRICH:

37 3 questions. The first is, can you disaggregate your comparative data by local jurisdiction?
38 I mean, you found 35 jurisdictions, but I'm sure people are going to say, that's nice how
39 you compare at a national level, but how do we compare with the counties around us?



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1 CHRIS CIHLAR:

2 I mean, I think that when we highlighted the national level, we have it-- we break up the
3 indicators regionally and nationally. So we use the COG districts, one. So we have two
4 separate measures, really, for all of them. I was just highlighting the national versus the
5 local, but yes, we do that.

6
7 COUNCILMEMBER ELRICH:

8 OK. Good. My next question is, I think, you know, you've demonstrated what some of the
9 really useful aspects of this program are, but the question that I keep thinking about that I
10 don't think this addresses yet is, how do you decide whether what you're doing is
11 important or needs to be done or is the best use of resources? I mean, you could have--
12 you could measure any of these things, and a stunningly unimportant or ineffective
13 program or poor use of resources could show up as an excellent performer--no overtime.
14 You know, if it's designed to reach 12 people, it reaches 12 people. You know, you find a
15 way to spend less on 12 people this year than last year. But the question is, how does that
16 expenditure or that program stack up against other programs? I mean, is this the best use
17 of our money, rather than just, are you using our money inefficiently--efficiently?

18
19 CHRIS CIHLAR:

20 I think I'll begin by answering, right now, we're at the Headline Measure area. The
21 Headline Measures truly should be encompassing of all the work that the departments do.
22 So you're talking about the major outcomes for the departments. The Headline Measures
23 are certainly comprised of programs, and that's where you get down to the sub-measures,
24 and that's where the link between what we do and what results-based budgeting hopefully
25 will be able to accomplish comes in. I think you need to look at how those individual
26 programs impact the Headline Measures. So as you go through a set of 4 or 5 programs
27 that impact a larger Headline Measure, that's where--you know, are we-- you know, we're
28 moving up the Headline Measure a little bit by having this program that's very expensive
29 that impacts 12 people--is that worth it or not? And that's where we--that's the next step of
30 this, I think.

31
32 COUNCILMEMBER ELRICH:

33 So we will be able to look at things like that?

34
35 FARIBA KASSIRI:

36 Yes. If I can add to that-- actually, that's a very-- that's a great question you ask. Just
37 because our focus is what the community wants-- community wants safe, safe community.
38 Community wants to have affordable housing. Community wants sustainable and healthy
39 communities. So since we're focusing on results, the only thing we do --we actually--our
40 main focus at these meetings or these efforts in CountyStat is to ask the right question.



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1 What impact are you making, and who is better off? So that's why it took us almost year
2 and half to get just to this point. We just finished Headline Measures. Eventually, ideally,
3 we have to develop strategies for each of those areas. So this has been a pretty difficult
4 process, and I'm not sure we got it right. Maybe we got--maybe 85%, 90% right. So just
5 because we are asking the right question and we are focusing their efforts, we are hoping,
6 year from now, it's going to literally--if there are some programs or processes or strategies
7 that are not being effective or delivering something that is not even valuable to the
8 community, yes, we do have to make a decision and get rid of those programs.

9
10 CHRIS CIHLAR:

11 Can I go back to the Pedestrian Safety example when we do--because that's a larger
12 initiative, so we have focused more probably on what would be programmatic efforts.
13 We've identified a set of programs that are effective, cost-effective, because we're trying
14 to reduce the total number of collisions in the county. It's not something that countywide, a
15 program really is going to be able to impact or target certain areas, the high-incident areas
16 where collisions most often occur. So that's a focus. When you have a lighting project that
17 might--where you've had one collision over the last 8 years versus a, you know, an
18 intersection where you've had 10 in the last two years, you want to focus on the
19 intersection rather than the whole stretch of street. And so that's what we're doing with
20 Pedestrian Safety Initiative.

21
22 COUNCILMEMBER ELRICH:

23 I think Pedestrian Safety is a good sedgeway because it was something we looked at at
24 COG. We were talking about the Council of Governments' pedestrian safety efforts, and a
25 lot of it was spent on advertising. And the conclusion was that pedestrian accidents are
26 going up, and we're spending more and more money on advertising. There seems to be
27 absolutely no correlation between that expenditure of money and reduction in pedestrian
28 accidents. So does it makes sense to continue that, or does it make sense to go
29 somewhere else with that investment? I guess those are the kind of questions I hope we
30 get to. Because you could say how many people see the buses, but if you see the buses
31 but it doesn't impact on the outcome, then you might have a high visibility, but how do you
32 measure that you really didn't change anything?

33
34 FARIBA KASSIRI:

35 And actually, that's a good example, because outreach is important, but what our
36 philosophy is, since we've done, we said, "Focus on high-incident areas." Maybe you
37 need to reach out to the senior citizens. Maybe you need to reach out to the Latino
38 community. Maybe you need to reach out to a targeted area to focus, because we don't
39 have unlimited resources. Our main goal is to maximize the use of county's resources.



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1 JOE BEACH:

2 But I think your question points out sort of the complexity of drawing the right conclusion
3 from the data. And it could be that the money that was spent on advertising, like Fariba
4 mentioned, was not effectively spent or could have been targeted more appropriately.

6 COUNCIL PRESIDENT ANDREWS:

7 Thank you, Councilmember Elrich. Councilmember Ervin.

9 COUNCILMEMBER ERVIN:

10 Thank you very much. I want to thank you and commend you for all your hard work on this
11 project. The chair of the MFP Committee has done a very good job presenting, I think, on
12 behalf of the Committee. This--for us, this presentation was given the whole--I guess
13 however long it took you, it was quite a long presentation we had in the MFP Committee,
14 and there were a lot of questions that came from the Committee regarding, in my opinion,
15 what the over-arching vision coming from the County Executive is for how this is going to
16 be used in future budgets. And so for this one--clearly, you've been working on this for a
17 year and a half. Has this had any impact or any effect on how decisions were made on
18 this budget that we're going to receive in two weeks?

20 JOE BEACH:

21 I would say that-- first of all, we've got to make the final decisions on the budget, which we
22 will be wrapping up this week.

24 COUNCILMEMBER ERVIN:

25 But you-- you're--these are--this is all about recommending to the County Executive what
26 will be in the budget or what will not be in the budget.

28 JOE BEACH:

29 I would say that this year, we had a lot of basic performance information that I think needs
30 a lot of refinement. And I think for this year, obviously, affordability was the overriding
31 consideration. When we had the performance information, we certainly were using it.
32 When we had, you know, real solid cost-effectiveness information, we would use that, as
33 well. So I would say, in this year, we're not in a place where we could really use the
34 performance information to influence the decisions as much as we'd like to, but also, given
35 a year like this, where we're struggling to produce a balanced budget, affordability was the
36 overriding consideration in a lot of the decisions that you will see very shortly.

38 COUNCILMEMBER ERVIN:

39 But I think that's the whole point, right? That's the point of the exercise. I want to ask a
40 question about service delivery. And what are you learning in this exercise about how



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1 services are delivered countywide and whether or not that's something that you're going to
2 be focusing on in your next round?

3
4 FARIBA KASSIRI:

5 Well, we believe this is all about service delivery. That's what government does. So the
6 direct service or indirect service, we have focused our efforts internally. We had the
7 internal survey. The outside, or our agencies, that's basically based on their core mission.
8 That would be the focus area-- how are they delivering the services, whatever that is?

9
10 COUNCILMEMBER ERVIN:

11 All right. Well, the core mission for the county, which is driven by the County Executive,
12 has to be-- there has to be some over-arching vision for what that is so that as it gets
13 drilled down, there's an understanding by the department heads and agency heads and
14 every single person who works there. It has to be drilled all the way down. What I'm
15 hearing is that there's a lot of bean counting going on, and there's a whole lot of different
16 decentralized pieces here. You're doing a lot of great data collection, but how does that
17 actually get drilled down into a product that we will be able to see somehow when we're --
18 when we receive the County Executive's budget and our taxpaying base is asking us
19 questions about--and this happens all the time--"Why don't you all do budgeting
20 differently?" And if this is an exercise about doing budget differently, I'm not seeing it.

21
22 FARIBA KASSIRI:

23 I do want to mention that we don't see ourselves as a--as a budget arm of Mr. Leggett. We
24 see ourselves as a performance arm of Mr. Leggett-- or the county. I'm sorry. The county.
25 So what we are trying to do here, we are trying to--to connect what we do to what the
26 budget operations are, because honestly, even if you read-- talk to even Harvard
27 Business School, the focus is, you need to separate these two--not a completely separate,
28 but you need to integrate these two, because in CountyStat operations, we are--budget
29 issues are one thing. Or the goal is to reduce budget is one. But mainly it's we are talking
30 about focusing on the results we are trying to deliver to our community. You know, one
31 could argue, you know, if the times are good, maybe we do need to increase resources
32 somewhere here or there. And for us, this is a long-term project. It's not--I don't think we're
33 going to see the results anytime immediately, but yes, in few years, we're going to see the
34 results. The main goal is to change the culture. Think outcome, think...think efficiency,
35 think what you are trying to deliver, and then tie it to the budget process.

36
37 COUNCILMEMBER ERVIN:

38 Well, I think that Steve Farber put it very well in the second paragraph of his memo.
39 "Committee Chair Trachtenberg requested this review to measure the progress achieved
40 to date on both initiatives and to determine what impact they are having on preparation of



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1 the Executive's Recommended Operating Budget for FY10-- that is, how the Executive's
2 decisionmaking process for the FY10 budget differs from the FY08 or FY09 process." So
3 that's where I am. Those are my questions. Hopefully we'll get there soon.

4
5 COUNCIL PRESIDENT ANDREWS:

6 Thank you, Councilmember Ervin. Councilmember Floreen.

7
8 COUNCILMEMBER FLOREEN:

9 Thank you. To follow up a little bit on that, is this--this effort the same as the Sustainability
10 Factors Initiative that we've asked Park and Planning to do?

11
12 FARIBA KASSIRI:

13 That's interesting question because I know we've heard that they may be doing ?????? --

14
15 COUNCILMEMBER FLOREEN:

16 Everybody is doing these measurements, and I'm getting confused-- budget-based,
17 results-based, CountyStat, sustainability. One of these is-- we need one test.

18
19 FARIBA KASSIRI:

20 I think the efforts that Park and Planning is doing--I think they are trying to incorporate
21 these, what they are calling indicators, in developing those Master Plans, which is--I would
22 say it's a planning phase. Ours, we are literally talking about response time. We are
23 talking about the closure rates. We are talking about the number of affordable units
24 delivered. I believe what Royce Hanson and group are doing is more of a, maybe in a
25 Master Plan level, trying to come up or develop some indicators that actually may be--may
26 not be national-level indicators. They may be local indicators. And we have been working
27 with them very closely.

28
29 COUNCILMEMBER FLOREEN:

30 Well, I think what I am trying to get my head around is, when we will see this in a way
31 where we can really react. I mean, it's hard to respond to a couple of these slides here,
32 and I'm sure you have a tremendous amount of data. I know I've weighed in with a couple
33 of things I would like to see measured, and I am-- my question is will we see this within
34 the budget? For example, will we see some kind of report that says X number of transit
35 passengers have been supported this year. Which is a Y amount over last year? Or X
36 amount of roadway capacity added versus last year, or X amount of kids who go to
37 Montgomery--graduate from Montgomery County public schools and do not need
38 remediation services at Montgomery College. And I don't know where I can ask you those
39 questions yet. Will that be in the course of this budget?



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1 JOE BEACH:

2 Yes. In the FY10 budget, we will have more program-level performance data for county
3 government departments. You mentioned kids needing remediation. That would speak to
4 MCPS' data project. Our effort is just for county government departments because that's
5 where we had the, you know, the management responsibility. But yes, so this budget will
6 include significantly more performance information at that program level. I don't know if it's
7 going to be specifically the ones you mentioned. As I mentioned, it's also, the first year
8 where we've really brought them back. We're trying to relate them to departmental level
9 measures, as well. One other thing we're trying to do is make it more--the data more
10 manageable. I know everyone, including myself, was overwhelmed by the data in
11 Montgomery Measures Up, so we're trying to find the right measures, more focused and
12 more useful and usable for decisionmaking.

13
14 COUNCILMEMBER FLOREEN:

15 Well, will there be a place--will it be--will this budget be the place, or will there be another
16 document at which point we get a chance to weigh in on these measures in a useful way?
17 I think a number of us have commented on some of this as it's gone through its
18 formulation stage. And you said it's a work in progress, so we will see-- we will see it
19 evolve. But my question is, when is the point at which I say, "Well, that's interesting that
20 you're measuring this, but I would like this measure employed, as well"?

21
22 FARIBA KASSIRI:

23 We always welcome inputs, yes, Miss Floreen.

24
25 JOE BEACH:

26 It'll be in the FY10 budget.

27
28 COUNCILMEMBER FLOREEN:

29 In this budget?

30
31 FARIBA KASSIRI:

32 All the Headline Performance Measures are in--will be in FY10 budget.

33
34 COUNCILMEMBER FLOREEN:

35 The performance measures.

36
37 FARIBA KASSIRI:

38 Headline Performance Measures for every department.

39
40 COUNCILMEMBER FLOREEN:



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1 OK. so all of these will be there, and then as we work through them in our committees and
2 as a full Council, we will have an opportunity to discuss with you what other elements or
3 subsets of that we'd be interested in seeing.

4
5 FARIBA KASSIRI:

6 Yes.

7
8 COUNCILMEMBER FLOREEN:

9 I think the exchange you had earlier with the Council President about overtime is a good
10 example where you could say, "Well, OK, we've reduced overtime." But the real question
11 is, have we provided the same amount of service? And that sort of a thing. And at the
12 most cost-effective way. And you--obviously, it's more complicated than just reducing
13 overtime, and I just want to make sure that as--that that is captured in the presentation on
14 these kinds of things--not necessarily just that, but all of these.

15
16 CHRIS CIHLAR:

17 I think that the measures are created, and I really think that the challenge will be what was
18 brought up earlier when you get down to the cost-benefit level of individual programs right
19 now, and that is the work in progress, and that's the next step. I mean, right now there are
20 a set of really good outcome measures for all the departments, and I think that that's the
21 point to reiterate --is that they're not output measures. I have the list here of what--how
22 DHCA was reporting before we started. I had the total number of units produced, the total
23 number of newly assisted units, total for code enforcement, total number of cases opened,
24 total number of violations. Those are all output measures. There's no outcome at all
25 involved with those.

26
27 COUNCILMEMBER FLOREEN:

28 No. Yeah.

29
30 CHRIS CIHLAR:

31 And if you look at the new measures for DHCA, which are up on the screen--I realize it's
32 hard to see all those measures quickly. They're outcome measures now.

33
34 COUNCILMEMBER FLOREEN:

35 But--so as we go through to the budget, we'll have a chance to go through that a little bit
36 more.

37
38 CHRIS CIHLAR:

39 Right. And-- and I just think the linkage between the actual programmatic pieces is where
40 we're still being challenged right now, and that's the work in progress. The outcome



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1 measures, though, at the department level are there, and I think you'll be able to see
2 them.

3
4 COUNCILMEMBER FLOREEN:

5 Yeah. OK. So we'll use the budget experience--sessions as an opportunity to review these
6 with all the departments.

7
8 FARIBA KASSIRI:

9 And, Miss Floreen, you mentioned the service level. That's absolutely all we are focusing
10 on. And there's actually slide 24, which you weren't able to go through. There's what we
11 call diminishing returns. Just putting resources in something, that doesn't mean we're
12 going to get the same results or we're going to deliver the same level of service. We as a
13 government have to decide what level of service is acceptable level of services, and that's
14 what we are struggling right--not struggling. We are trying to focus on that. And then there
15 is such a thing as diminishing returns. I mean, no matter how much money you can put
16 on, let's say, fire trucks or equipment, what it is at the end? Is it going to reduce the
17 response time? So the focus should be a response time. It shouldn't be--so yes, we are
18 focused on level of service.

19
20 COUNCILMEMBER FLOREEN:

21 Well, just as with affordable housing, it's not necessarily the number of units that are
22 provided by the private sector, but the number of units that are out there, you know, in the
23 environment. And I'm not--that's where I look forward to getting into more of a
24 conversation with you all about that in the course of the budget. So we will--you're saying
25 we will have enough of that to be able to really do some things?

26
27 FARIBA KASSIRI:

28 Every department's Headline Measure will be actually published with the FY10 budget.
29 You may see a lot of "under construction." That's fine. It means we are still--our problem
30 was, we didn't have the data. We told them, this is how you're going to start collecting the
31 data.

32
33 CHRIS CIHLAR:

34 Actually, I should mention, "under construction" means not--it's-- there's not being data
35 collected, but that there was not data before this year being collected.

36
37 FARIBA KASSIRI:

38 Yes.

39
40 CHRIS CIHLAR:



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1 So you don't have a previous value to measure against. So "under construction" is, it's
2 being collected.

3
4 COUNCILMEMBER FLOREEN:

5 I think we'll be just as happy to have the opportunity to weigh in on some of the--how
6 you've chosen to structure some of this. OK. Thank you.

7
8 COUNCIL PRESIDENT ANDREWS:

9 Thank you. Councilmember Trachtenberg and then Councilmember Knapp, and then I
10 think we'll break for lunch with our Board of Education.

11
12 COUNCILMEMBER TRACHTENBERG:

13 Thank you, President Andrews. Well, I want to thank Joe and Fariba and Chris for coming
14 this morning. As Councilmember Ervin noted, this was a conversation that we had started
15 in MFP about 3 weeks ago, and it lasted, I think, Valerie, about an hour and a half, and it
16 would've gone on a lot longer except it was getting very late in the afternoon, so we closed
17 it down, and I had the idea that, let's continue it within the full Council. You know, clearly
18 the success of this program is essential to a lot of the work that we need to do around the
19 budget in future years, and the way I look at it is that we've gotten beyond our infancy
20 stage and we're in the toddler stage right now, and hopefully, by next year, we will have
21 made enough progress that we'll actually be able to do a lot more than we can do this
22 year around the budget preparation. And one of the reasons I wanted this conversation to
23 happen was that I thought at least this way, people would have--my colleagues--a good
24 understanding of exactly how relevant some of the decisions that were being made
25 around the budget, some of what we've collected, is. In other words, how much is this
26 going to really play into the budget that's provided to us by the Executive, and I think it's
27 fair to say somewhat, but, you know, we're not in a perfect situation, clearly. You know, as
28 we continue to develop a baseline--and I think that's really what we're talking about here--
29 wonder, and this is a request, if we couldn't, on a monthly basis, notify the Council
30 president of the upcoming CountyStat exercises that are ongoing.

31
32 FARIBA KASSIRI:

33 Oh, definitely. Yeah.

34
35 COUNCILMEMBER TRACHTENBERG:

36 And the reason I'm asking for that is because I think eventually, down the road, what
37 would be useful is, for instance, the Public Safety Committee to really know, you know,
38 next 30 days, what are some of the things that are going on across the street that would
39 interest them in the work that they're doing, just like I would imagine that, down the road,
40 they'll be some programming from HHS that the HHS Committee would have an interest in

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1 pursuing. You know, I'd like to see us have that connection made so that it's not isolated
2 and just happening when we ask you to come over for the full Council, but that actually
3 the committees themselves can benefit from the discussion-- not just the development of
4 the outcome measurements and seeing the actual results before us in an exercise, but
5 really being able to participate because clearly, this is to help the Executive prepare the
6 budget, but it's also something that's developed to help us make our decisions, as well. So
7 I would ask that there be some type of monthly announcement provided to our Council
8 president. And the question I would have would really be specific to HHS. We got into this
9 a little bit, and I don't expect any kind of a really long and thorough conversation about it
10 right now, but down the road, when do we expect to get into--more into the meat and
11 potatoes around HHS programming? Because, you know, I've been looking at the
12 schedule of CountyStat exercises, and I haven't seen all that much around HHS. And I
13 understand why-- because, A, there are difficulties in evaluating outcome for HHS
14 programming. It's very different than what we look at, say, for public safety. But I also
15 know another part of the challenge is the data collection part for the HHS Department,
16 since they're still in a situation where technology investments need to be made so that
17 collection is accurate and thorough. And I wonder, could you give me a sense of when
18 we're going to see, on that regular schedule of CountyStat exercises, more HHS
19 programming?

20
21 FARIBA KASSIRI:

22 Yeah. One that we are starting--we are bringing back the departments to go over their
23 performance--department's performance plan. That's going to be the next step. I don't
24 have the schedule in front of me, and if not, we make sure we add the HHS to the list as
25 soon as possible.

26
27 COUNCILMEMBER TRACHTENBERG:

28 Yeah, I would very much appreciate that.

29
30 CHRIS CIHLAR:

31 I think one other thing that I want to mention is, we mentioned quickly that we have a
32 fellowship program, where we bring in people from different departments. Our fellow this--
33 one of our fellows this, basically, quarter is from HHS. We have two meetings that are
34 going to be put up through HHS through him shortly. I know one will relate to the Senior
35 Summit. The other one will be--it's a work in progress, but it should be up shortly. And I
36 would say probably by June, you'll see at least a couple of meetings in HHS--HHS-specific
37 programs--and I will also say that Uma has been very involved with--she's actually one of
38 the directors, I think, that probably participates the most in giving us advice, and her
39 outcome measurement system is, for an HHS program, fairly advanced.



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1 FARIBA KASSIRI:

2 Far better than--

4 CHRIS CIHLAR:

5 It's really pretty good. So we are going to be able to have good data conversations with
6 HHS shortly. We'll notify you. But I'm sure that there will be at least two meetings on HHS
7 focus programs before June.

9 COUNCILMEMBER TRACHTENBERG:

10 OK. That sounds good, and again, I want to thank all of you for your hard effort around
11 this program, and I look forward to having this same type of conversation with lots more
12 information next year during budget season.

14 COUNCIL PRESIDENT ANDREWS:

15 Thank you, Councilmember Trachtenberg. Councilmember Knapp.

17 COUNCILMEMBER KNAPP:

18 Thank you, Mr. President. Again, thank you for the presentation. I want to pick up a little
19 bit on some of the comments of my colleagues. I share, with the Council President, the
20 pleasure that we're actually making progress in overtime. But I guess the thing I would, to
21 Mr. Beach's point, we're not doing--this is not necessarily a budgeting tool per se, and I
22 guess I'm intrigued at the notion that overtime, I would suggest, is not really a measure of
23 performance. It's a way to show that we're going to save some money because it's
24 something we're paying attention to, but it really doesn't measure the performance. Are
25 we doing anything any better? We can cut back on overtime, but we may actually be
26 slowing response time. What is the performance we're trying to achieve, and how do we
27 try to reduce overtime by achieving that performance objective, I think is something we've
28 got to try to focus on. And I guess, picking up on Ms. Ervin's issue, I guess the part I'm
29 struggling with is, I guess we're capturing lots of data, and I think we've got a lot of
30 processes in place, but what are we kind of picking as the issues that we want to
31 address? And one of the things that is pretty obvious to me that we'd want to be looking at
32 is, we had a County survey that was done two years ago. We know that 97% of our
33 residents are concerned about public safety and being sure they feel safe in their
34 community. They told us that. This past year, we know that crime is up 7.7%. It would
35 seem to me that we would want to be doing something to identify that as a measure. We
36 know that's something that the Police Department is looking at that's a regular output of
37 information that we get. What are we doing to try to recognize that measure and try to
38 make sure we can reduce it so that when we get to the budget this year, we'll have some
39 sense as to whether or not, are we--if we have to cut police officers or increase police
40 officers. What do we do to make sure that something that our residents have told us is



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1 their top priority, we can make sure we actually affect the outcome of in a positive way?
2 And it seems to me that's, if I'm hearing what you're saying, that's the kind of thing you
3 want to be doing, but I'm not necessarily hearing it in the course of things that are out
4 there. And so, I guess, to the extent that we have high-priority issues like that, is the
5 County Executive giving you the guidance or the direction to say, "These are our top 4 or
6 5 things. We need to be focused on this and make sure we do this, and all this other stuff
7 is good, too, because--talks about the performance of county government, but here's
8 where we're going to start because this is what's important because this is what our
9 residents told us."

10
11 FARIBA KASSIRI:

12 Yeah. All those-- Everything you mention the crime, it is in Tom Manger's performance
13 plan. I wish I had the whole document here. He has 8 or 7 Headline Performance
14 Measures, and all of those are headline. He's collecting data, he's reporting to us, and we
15 are meeting--I'm not sure when is his next meeting. So we are using the departments as
16 just a starting point--

17
18 COUNCILMEMBER KNAPP:

19 Sure, but we know that, so we have that data. We know that. We already had that. They
20 were collecting that before. We know every quarter, we get crime statistics, so we know
21 crime is up. We've already got that as the data, as a data point. What are we now using
22 with that data point to have these meetings to actually change the outcome? How do we
23 improve performance as a result of having captured that data?

24
25 FARIBA KASSIRI:

26 Well, we are tracking performance, and then based on what's happening either, let's say
27 right now, because of the economic situation that's happening, that's impacting the
28 performance for that crime rate. So it is Tom Manger who would come back or propose,
29 one, what are the short-term solutions? What are the long-term solutions? But since we
30 are account--we see ourselves as we are trying to create accountability. So we are--that's
31 our starting point, and if the--I think your question is how that ties to a budget or budget
32 discussions. We are kind of getting there to clearly create the structure or the framework
33 that we're going to tie that, but that is happening on a daily basis.

34
35 CHRIS CIHLAR:

36 Go ahead, Joe.

37
38 JOE BEACH:

39 Well, I was just going to add that Chief Manger also has his own internal sort of
40 CountyStat process as well, where he meets with his different District Chiefs.



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1
2 COUNCILMEMBER KNAPP:

3 I guess I know that. I know what the Chief is doing because he reports that information to
4 us. We're trying to look across county government and say, "Here are the things that are
5 important. Here's what we're measuring. Here's what we're going to focus our attention
6 and priorities." Have they gotten direction from the rest of county government, from the
7 senior management perspective, saying, "Man, we're really concerned about something
8 like this measure that has seen a dramatic increase, and we need to refocus our
9 resources to address that outcome"?

10
11 JOE BEACH:

12 Yeah. I think the Positive Youth meetings that we've had where we're not just focusing on
13 the police aspect of it, we're focusing on the HHS, the recreation, and other aspects of it,
14 as well, and really look at, what are our service delivery processes, what are our goals,
15 what are the results we're seeking. So I think that we've done that, especially with Positive
16 Youth at CountyStat. They've had several meetings already to make sure that kind of
17 coordination is happening and that everyone is working together and we have those
18 processes in place.

19
20 CHRIS CIHLAR:

21 And I think one other thing to that point-- and I think you're absolutely right with crime rate.
22 It's--crime rate is at the indicator level. It's something that is being reported by police, but
23 it's at the indicator level because it's affected by variables like the economy right now,
24 which are other departments, so when we're talking about crime rate in particular, I think
25 we also need to bring in Economic Development, HHS, Recreation, and so we do that
26 through the Positive Youth Development Initiative. Chief Manger's performance measure,
27 his Headline Measure, is at the closure rate of those particular crimes, so the homicide
28 closure rate, the rape closure rate, the property closure rate. So we then will look down at
29 the programmatic level to figure out which particular programs help him achieve the higher
30 closure rate, which would then--because that's his aspect of crime, is really the closure
31 piece. But I think actually having those high-level discussions-- along the Positive Youth
32 Initiative, in particular-- would affect that kind of rate issue. That's a multiple department
33 thing, and I agree-- I think it's something that we probably should focus on.

34
35 COUNCILMEMBER KNAPP:

36 I guess that I think that's important, but I think it's--so it's a very important to have some
37 clear direction to say, "These are the things." I don't think we're going to collect a lot of
38 data and divine a golden path out there that says, "Oh, wait. If we take this strategy, that
39 now, because we've collected all the numbers, we now see this will reduce cost or this will
40 make this better." I think it's important to actually give direction, to say, "Crime increasing

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1 is bad. Here are the things we're going to do and we're going to focus on to make sure we
2 can measure the outcomes to make sure we're decreasing the things that make crime
3 increasing go away." And I think that's the part I'm struggling with finding through this. I
4 think we're capturing all the data. We're getting all the processes. I'm not seeing how
5 we're actually establishing the priorities and then making the decisions. I guess that's the
6 part I'm hoping to see more of.

7
8 FARIBA KASSIRI:

9 The Headline Measures are--the instruction is, it has to be focused, it has to be--we don't
10 want like what we had in Montgomery Measures Up. It was a book. So maybe to answer
11 your question, it is the priorities are the Headline Performance Measure that should
12 capture at least 80% of what they do. So yes, we are making a policy statement by
13 focusing on Headline Performance Measures, and the goal is--when you saw the arrows--
14 arrows to go up, not to go down or stay this way.

15
16 CHRIS CIHLAR:

17 And I agree. I think we also, we need to be holistic in the approach to the crime rate,
18 particularly. And I think that the example of using the multiple departments is a good way
19 to approach crime rate, by bringing them together to figure out what they can be doing in
20 their own respective areas to impact crime rate, and where that focus should be.

21
22 COUNCIL PRESIDENT ANDREWS:

23 Thank you, Councilmember Knapp. We have one more comment, briefly. Councilmember
24 Floreen-- or a question. But I did want to say--well, I'll turn it over to you first, and then I'll
25 make a final comment. Go ahead.

26
27 COUNCILMEMBER FLOREEN:

28 Thanks. I just wondered--it would be helpful if we could get a compilation of what you
29 have.

30
31 FARIBA KASSIRI:

32 Definitely. Yeah.

33
34 COUNCILMEMBER FLOREEN:

35 And then we could go through it, and then we know where we are on that. So if you could
36 provide that to us.

37
38 FARIBA KASSIRI:

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1 And I'm sorry. Again, this was a very abbreviated version of what we do. It was kind of in
2 connection with Joe Beach's budget, results-based budgeting. I mean, as far as our focus
3 on this--

4
5 COUNCILMEMBER FLOREEN:

6 It's a lot.

7
8 CHRIS CIHLAR:

9 The material is finished, and it's going to go live shortly, so we have--

10
11 COUNCILMEMBER FLOREEN:

12 It would have the--it would be like some of these charts, I guess, where you have the
13 Headline element and then the steps underneath.

14
15 CHRIS CIHLAR:

16 It's going to be all--it'll be on the computer and be very user-friendly for all this type of
17 information.

18
19 COUNCILMEMBER FLOREEN:

20 OK. Thanks.

21
22 COUNCIL PRESIDENT ANDREWS:

23 OK. Well, good. Well, clearly there's a lot of interest in this, which is great. I thank the
24 chair of the MFP Committee for recommending that we have the full Council get a briefing
25 on it, which there's obviously a lot of interest in. It seems to me that you're off to a good
26 start, and I'm pleased to see the efforts that have been made and results in reducing
27 overtime, and without any reduction in service that I can see, so I think that that's a
28 successful beginning. There's a lot more work to do, and we look forward to hearing about
29 it as we go through the coming budget and the coming year. So thank you.

30
31 FARIBA KASSIRI:

32 Thank you.

33
34 COUNCIL PRESIDENT ANDREWS:

35 All right. We're going to break for our meeting with the Board of Education, and then we'll
36 be back here at 1:30 for public hearings.

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TRANSCRIPT

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MONTGOMERY COUNTY COUNCIL

PRESENT

Councilmember Phil Andrews, President

Councilmember Roger Berliner, Vice President

Councilmember Marc Elrich

Councilmember Valerie Ervin

Councilmember Nancy Floreen

Councilmember Michael Knapp

Councilmember George Leventhal

Councilmember Duchy Trachtenberg



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1 COUNCIL PRESIDENT ANDREWS:

2 Good afternoon, everybody, and the microphone system works pretty well, doesn't it? You
3 can hear us now. One of the major complaints we used to have about this third-floor
4 hearing room was, people couldn't hear, so that's not good if you have a hearing room,
5 and so now we have a hearing room where people can not only hear, but they can see
6 what's going on. You can see charts and what's displayed in video productions and so on,
7 so, as you can see, we are in a redone room here, and we're glad to be back in here after
8 being out for quite a while. This is where the Council will now meet regularly, as will
9 dozens of other groups that use this room, and the room that has been redone is now a
10 modern room and brought into the 21st century technologically and will provide better
11 access for people with disabilities, and it came in under budget, as well, so we are glad to
12 be here and glad to see you here this afternoon. We have several public hearings, and
13 we're gonna start with a public hearing that is a special appropriation to the Maryland
14 National Park and Planning Commission's FY09 capital budget, amendment to the FY09
15 through 14 Capital Improvements Program--\$750,000 for the Woodstock Equestrian
16 Center, Phase II. Action is tentatively scheduled for Tuesday, March 10, 2009, and if you
17 are speaking this afternoon, before beginning your presentation, please state your name
18 clearly for the record. We have 5 speakers who are signed up for this hearing--Michael
19 Riley from Montgomery County Department of Parks; Lydia McClain, representing the
20 Woodstock Equestrian Park Foundation--please all come up--Jenny Searles, speaking as
21 an individual; Andrea Caplan, speaking as an individual; and Pamela Dubois, representing
22 Equestrian Partners in Conservation. As has been the case in the past, each speaker has
23 up to 3 minutes to speak, and just press the microphone in front of you and introduce
24 yourself so those listening in or viewing can identify and match you up name and a face
25 and stay at the dais. Stay at the table after you speak because there may be questions
26 from Councilmembers. So, welcome, everybody, and we're gonna begin with Mr. Riley of
27 the Department of Parks.

28
29 MICHAEL RILEY:

30 Good afternoon, President Andrews and members of the Council. I'm Mike Riley, the
31 Deputy Director of Parks for the Park and Planning Commission. I'm here today on behalf
32 of the Planning Board to request your continued support for the development of
33 Woodstock Equestrian Park. I'm delighted to advise you that we've developed a plan for
34 the next phase of development that is widely supported by stakeholders and community
35 members, and I'm also delighted to advise you that we can build this next phase without
36 any local tax-supported funding. We have a generous donation from a Mr. William
37 Rickman of \$250,000, and we've also secured \$500,000 in state grants, a bond bill, and a
38 Community Parks and Playground grant. The 872 Woodstock Equestrian Park is located
39 in Beallsville along Route 28 in the Ag. Reserve. Today the park includes 16 miles of
40 hiking trails, assigned hiking--I'm sorry--assigned equestrian trails which can be accessed



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1 from parking lots that were built on both sides of Route 28. The existing park was
2 developed and acquired through donations from Mr. William Rickman Sr. and Mr. Herman
3 Greenberg, and it was also supported by a prior \$600,000 state bond bill. The next phase
4 of facilities, according to a facility plan that was just approved by the Planning Board in
5 January, includes 3 outdoor riding rings, a beginner/novice cross-country course, the
6 adaptive reuse of historic buildings, an expanded gravel parking lot, and a working well
7 and water distribution system along with additional wayfinding and interpretive signage.
8 While we intend to fully design the Phase II facilities at this time, we intend to build within
9 our available funding of \$750,000, so at a minimum, we expect to complete by next
10 summer, with your approval, one large fenced outdoor ring with terraced seating and
11 berms, grading for the two smaller rings, and the expanded parking area, a working well,
12 and the renovation of existing garage for equipment storage. In conclusion, the
13 stakeholders and community appear to like the plan that's been developed, and the
14 project can move forward without any tax-supported local funding. I wish I could say that
15 about all the projects we bring to you, but this one has that double winner. Thank you
16 again for your continued support of the parks.

17
18 COUNCIL PRESIDENT ANDREWS:

19 Thank you. Our next speaker is Lydia McClain, representing the Woodstock Equestrian
20 Park Foundation.

21
22 LYDIA McCLAIN:

23 Good afternoon. I'm Lydia Fungler McClain. I am representing the Woodstock Equestrian
24 Park Foundation. We were originally a Friends group, and we moved on to our own
25 foundation. Our foundation is made up of members living in Montgomery County that were
26 part of the Friends group, and we've been working with Park and Planning since the
27 Master Plan was completed. Many of our members were on the Master Plan Committee.
28 As a group, we backed it in an advisory capacity for the development of the Woodstock
29 Park since September of 2003. The Woodstock Park Foundation has provided activities
30 and workgroups within Woodstock. We've cleared trails, worked with the parks
31 Department to build bridges, install signage in the park. We've created a web page. We've
32 had rides in the park, farm visits in tangent properties, lectures, tag sales, all to promote
33 the park and raise interest and recognition of the park, and we are still ready to be
34 involved in any and all aspects of the park to make it a success in our community, and I
35 want to make a note with you because the equestrian community is very diverse, and our
36 board represents dressage riders, pony clubbers, trail riders, carriage drivers,
37 hunter/jumpers, eventers, trail preservationists, paso fino riders, and these are all groups
38 that operate as a group in Montgomery County. The facility, as planned in Phase II, offers
39 each of these groups a place to practice, compete, offer clinics, or simply ride the beautiful
40 trails. The plan put forth for the Woodstock Park has been developed primarily for people



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1 that would use the park because there are no affordable facilities available. You will hear
2 from different groups to explain their needs, and what Woodstock Phase II offers is a
3 professionally designed facility that will enable all disciplines of equestrians to ride in
4 Montgomery County at Woodstock. The Woodstock Equestrian Park Foundation is very
5 excited about the future of the park and will continue to be available to advise and support
6 the park through all its phases, and we thank you.

7
8 COUNCIL PRESIDENT ANDREWS:

9 Thank you, Ms. McClain. Our next speaker is Jenny Searles. Did I pronounce that
10 correctly? Good.

11
12 JENNY SEARLES:

13 Good afternoon. My name is Jenny Searles. I am 10 years old and live at 10 Walker
14 Avenue, Gaithersburg. I am here today representing the Montgomery County Horse N
15 Around 4-H Club. The families in my club and I want you to vote in favor of funding Phase
16 II of Woodstock Equestrian Park. I have ridden my pony Tookie ????? at the Woodstock
17 many times with my family and friends from my club. It is a beautiful and safe place to
18 ride. There are bridges in Woodstock that are good practice for your horse to go over. I've
19 seen owls, hawks, foxes, deer, and lots of beaver ponds, but no beavers yet. Over the last
20 5 years, my club has held our annual trail ride fundraiser for St. Jude's Children's Hospital
21 at Woodstock Equestrian Park. In those trail rides, we have raised \$9,797 for this charity.
22 Other club members and I often go to the park on weekends or on days off school in riding
23 groups of 4 or 5. One of the parents in my club told me that when she was my age, she
24 was safe crossing roads and riding along them to get to trails, but now with traffic and
25 population, she would never allow her daughter to explore like she used to. At Woodstock,
26 she can allow her daughter to explore the woods freely with her friends. She and other
27 people in my club feel that the new as well as the old facilities at Woodstock will be used.
28 Even more development in the county continues and traffic increases. With the proposed
29 show rings and cross-country course at Woodstock, my club leaders and members look
30 forward to holding clinics, drill team practices among other things at the facility. It is
31 difficult for us to find places to do such events as these because riding facilities are
32 expensive to rent and we have difficulty finding places with sufficient parking for all of us
33 to bring our horses. I hope you will consider all I've said and vote in favor of the Phase II
34 funding for Woodstock Equestrian Park. Thank you.

35
36 COUNCIL PRESIDENT ANDREWS:

37 Thank you, Jenny, and I know I speak for all of my colleagues when I say you did a great
38 job with your testimony. Andrea Caplan is not here, OK, and Pamela Dubois.

39
40 PAMELA DUBOIS:



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1 Jenny is a tough act to follow.

2
3 COUNCIL PRESIDENT ANDREWS:

4 Mm-hmm.

5
6 PAMELA DUBOIS:

7 My name is Pam Dubois. I'm Vice President on the Board of Directors of Equestrian
8 Partners in Conservation, known as EPIC. EPIC is a nonprofit organization whose mission
9 is to preserve the equestrian heritage and the rural character of Montgomery County by
10 conserving and protecting our natural resources. EPIC represents a growing equestrian
11 community in Montgomery County spanning all equine disciplines. For those
12 councilmembers who may not be familiar with the role of equestrian life in Montgomery
13 County, I would like to share the following data and observations. Maryland has twice as
14 many horses per square mile as Virginia or Kentucky. Montgomery County has the
15 second largest equine population of all the counties in the state. There are more than
16 20,000 horses--horse enthusiasts-- excuse me--in Montgomery County and approximately
17 15,000 horses. The equine economy in Montgomery County, the value of goods and
18 services exchange related to equestrian activity and horsekeeping exceeds 100 million.
19 Horse facilities and farms are vital to the survival of agriculture in the county. Of all the
20 farms in Montgomery County, 74% are horse- or hay-oriented. Of the total amount
21 contributed to the county economy by agriculture, 1/3 comes from the equine industry.
22 EPIC commends the County Park staff for their attention to environmentally friendly
23 design detail and thoughtful community outreach efforts, and as such, we strongly support
24 the development of Woodstock Equestrian Park, Phase II. Our reasons are numerous.
25 One is the vision, the generosity of Mr. Greenberg and the Rickman family, who together
26 championed the birth of Woodstock, had a vision for the park amenities, of which all of the
27 proposed Phase II improvements being contemplated here today are consistent with their
28 vision and the intended purpose of their land grants. Second, it's a step approach. The
29 proposed Phase II improvements allow for more incremental approach towards the
30 implementation of the improved Master Plan. The primary benefits are twofold. First, this
31 type of structured, systematic development provides Park and Planning time to monitor
32 utilization of the various improvements as well as the required maintenance allocation so
33 that it can ensure financial sustainability, minimizing annual operating costs. The scale of
34 proposed improvements will serve to minimize ongoing operating costs. It allows for
35 increased safety with the enclosed riding arenas. People can calm down the horses prior
36 to going on trails afield, and, of course, it will augment public participation. I'm a resident
37 of Darnestown, and I would really like to see these facilities implemented. Thank you.

38
39 COUNCIL PRESIDENT ANDREWS:



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1 Thank you, Ms. Dubois. I noticed you looking a little nervous at the light as it shifted. Don't
2 worry. You got in time. Only 15, 20 seconds after it turns red does the trapdoor open.

3
4 PAMELA DUBOIS:

5 That's OK. Yeah. I didn't think I was gonna be ejected, but you have a written copy of my
6 statement.

7
8 COUNCIL PRESIDENT ANDREWS:

9 OK. All right, and don't make me use the trapdoor. OK. Thank you very much. Let me see
10 if there's a question or comment from Councilmember Knapp.

11
12 COUNCILMEMBER KNAPP:

13 Thank you, Mr. President. I want to thank you all for your testimony. Jenny, you did a
14 great job. My two daughters and I have been walking around out there a long time, too,
15 and we still haven't found any beavers. The only place we found the beavers was down at
16 the National Zoo, so we'll keep looking with you. I just wanted to-- I know that this has
17 been a long and arduous process, and there's been a lot of conversations, and I know that
18 it's a challenge. Mike, I know there was a meeting--I don't know--6 weeks ago or 7 weeks
19 ago. I stopped by. There are still-- Once this got scheduled, a lot of folks in the community
20 sent me e-mails saying, "What's going on? What is this?" and so I would urge you to, in
21 particular, maybe get back in touch with the Poolesville Commissioners and maybe use
22 them as a conduit of information to try to put stuff out on their web site or whatever. I think
23 everyone that I've spoken to is supportive of kind of this next step, especially given the
24 scope of it and given the dollars, but I think there are still questions that remain on the part
25 of kind of the neighbors. Recognizing the neighbors in that part of the county can be a
26 fairly fair distance from the actual program itself, so just try to continue that outreach part
27 because there's still questions that remain, although I think, from the conversations I've
28 had, everyone is generally OK.

29
30 MICHAEL RILEY:

31 We will do that. We have a good network in place to communicate, so we will do that.

32
33 COUNCILMEMBER KNAPP:

34 Good. Thank you.

35
36 COUNCIL PRESIDENT ANDREWS:

37 OK. Thank you, Councilmember Knapp. Councilmember Leventhal.

38
39 COUNCILMEMBER LEVENTHAL:



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1 Just wanted to thank our witnesses. We do appreciate your coming. This is an
2 extraordinary resource. For anyone in the audience or my colleagues on the Council who
3 have not been to see it, it's one of the newer parks. It's absolutely enormous. We do
4 benefit from the generosity of the Rickman family and Mr. Greenberg, who gave it to us,
5 and so I just thank you for advocating for it and commend it to everyone's attention. It's
6 really worth a visit. It's a beautiful, beautiful place in Montgomery County.

7
8 COUNCIL PRESIDENT ANDREWS:

9 Well said. Thank you, Councilmember Leventhal, and, as was noted, the source of
10 funding for this special appropriation is contributions, state bonds, and state aid, and
11 action is tentatively scheduled for next Tuesday. Thank you all very much for your
12 testimony and advocacy. Our next public hearing is really a combination of 3 public
13 hearings, and we have 7 speakers signed up who are gonna talk about one or all of the
14 next 3 items, so as I describe the public hearing--it's on 3 bills--it will take a little while, but
15 we're combining the 3 together. Good afternoon, ladies and gentlemen. This is a public
16 hearing on 3 bills. One, Expedited Bill 3-09--Local Small Business Reserve Program,
17 revisions that would amend the county's local small business reserve program by
18 increasing the minimum percentage of the combined dollar value of certain contracts that
19 each using department must award to local small businesses and generally amend the
20 county's Local Small Business Reserve Program. Persons wishing to submit additional
21 material for the Council's consideration should do so before the close of business on
22 Friday, March 20, 2009. A Transportation and Environment Committee work session--
23 that's the old name, I know, but we all know what it is--is tentatively scheduled for
24 Thursday, March 26, 2009 at 3 P.M. The second bill we'll be hearing testimony on is
25 Expedited Bill 4-09, Development Impact Tax--Deferral, that would authorize the deferral
26 of certain development impact tax payments for a certain period and generally amend the
27 law regarding payment of impact taxes. Persons wishing to submit additional material for
28 the Council's consideration should do so before the close of business on Thursday, March
29 5, 2009. A Management and Fiscal Policy Committee work session is tentatively
30 scheduled for Monday, March 9, 2009 at 2:00. A third bill before us today for the public
31 hearing is Expedited Bill 5-09, Permit Fees, New Construction Deferral, that would
32 authorize the deferral of certain permit inspection, license, and engineering fee payments
33 for a certain period, extend the time limit for abandonment of a building permit, extend the
34 time for recording an initial building inspection, and generally amend the laws regarding
35 permits and related fees. Persons wishing to submit additional material for the Council's
36 consideration should do so before the close of business on Thursday, March 5, 2009. A
37 Planning, Housing, and Economic Development Committee work session is tentatively
38 scheduled for Monday, March 9, 2009 at 2:00. Please call 240-777-7900 for information
39 for any potential changes to any of these schedules. As I said, we have 7 speakers to
40 testify on one or all of these bills, and there's room for all of you up here, so when I call



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1 your name, please come up, and that's Kathleen Boucher, speaking for the County
2 Executive; Judy Stephenson, speaking as an individual; Patrick O'Neil, representing
3 Bethesda-Chevy Chase Chamber of Commerce; Robert Harris, representing the
4 Commercial Builders Council; Tom Farasy, representing the Maryland-National Capital
5 Building Industry Association; Ines Vega, speaking for the IDI Group; and Gus Bauman,
6 representing Montgomery County Chamber of Commerce, and if you are speaking on
7 more than one bill--and I have Ms. Boucher, Mr. O'Neil, Mr. Farasy, Ms. Vega, and Mr.
8 Bauman speaking on more than one bill-- then you have 5 minutes to speak. Otherwise,
9 you have 3 minutes, and we'll begin with Ms. Boucher, representing the County Executive.

10
11 KATHLEEN BOUCHER:

12 Thank you very much. Just wanted to thank YOU at the beginning for the lumbar support
13 and other ergonomic features of your chairs in this new hearing room. Tremendously
14 appreciate it. Thank you. My name is Kathleen Boucher. I'm Assistant Chief Administrative
15 Officer with the Office of the County Executive. Want to thank Council President Andrews
16 for sponsoring Bills 3-09, 4-09, and 5-09 on behalf of the County Executive and the full
17 Council for its timely consideration of these matters. Bill 3-09 proposes changes to the
18 county's Local Small Business Reserve Program, and Bills 4-09 and 5-09 amend the law
19 governing impact taxes and fees related to new construction which are collected by our
20 Department of Permitting Services. Over the past two years, the county has experienced
21 the severe impacts of the recession that has gripped our nation. Except for a slight
22 increase in February and September of 2008, the leading economic indicator for the DC
23 metropolitan area--which, you know, is used to predict future economic activity--has
24 declined steadily since April 2007, down 4% during that period. That decrease suggests
25 that the region's economy will experience slower growth during the first half of 2009 and
26 not reaccelerate until early summer at the earliest, depending on the breadth and depth of
27 the national recession. The coincident economic indicator for the region--thank you--which
28 measures the current performance of the economy and reflects consumer confidence, has
29 also declined steadily since the spring of 2007, down 12% during that period. Other signs
30 of extreme stress in the county's economy include no growth in resident employment
31 during the past two years, the decline in home sales of more than 20% in each of the last
32 3 years, and an average 7.9% decline in home sale prices in 2008. This data and others
33 point to a need for local government action to help our residents and businesses during
34 this difficult economic time. On December 18 of last year, the Executive announced an 11-
35 point economic assistance plan which included the 3 bills that are the subject of today's
36 hearing. A summary of the plan is attached to my testimony. The Executive views his 11-
37 point plan as a modest first step to help ease some of the difficulties experienced by local
38 businesses as a result of the national economic downturn. The Executive will continue to
39 work to find additional ways to assist county businesses and looks forward to working with
40 the business community, the councils, and others to identify additional measures that



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1 could effectively and efficiently assist local businesses. Generally, the Economic
2 Assistance Plan is an attempt to increase business opportunities for county-based
3 businesses by allowing deferral of fees and taxes related to new construction, extending
4 expiration periods for building permit applications and inactive building permits related to
5 new construction, broadening the definition of "local small business" for the purpose of the
6 county's Small Local Business Reserve Program, and increasing the percentage of county
7 contracting opportunities that are directed to local small businesses. The current
8 economic climate impacts the ability of builders to pay impact taxes and fees for permits,
9 inspections, licenses, and engineering before construction. By allowing a builder to defer
10 payment of these taxes and fees, Bill 4-09 and 5-09 will encourage new construction that
11 will help to retain existing jobs and create new job opportunities. This deferral is only
12 temporary and enables a builder to pay the taxes or fees at a point in time in the
13 development process that is closer to when a builder can expect to receive income from a
14 project. In essence, the deferral of impact taxes and fees will reduce carrying costs for a
15 project. The current economic climate impacts local businesses disproportionately to other
16 businesses, and by increasing the percentage of contracts that the county awards to local
17 small businesses, Bill 3-09 will encourage greater participation in the program and help
18 retain existing jobs and create opportunities for new jobs. Very briefly, I'll walk through the
19 key components of the 3 bills that we're hearing today. Bill 3-09 increases from 10% to
20 20% the combined dollar value of certain contracts that county departments must award
21 to local small businesses. Bill 4-09 authorizes the deferral of impact tax payments for both
22 schools and transportation for up to 12 months after their current due date. Currently,
23 these taxes are due when the building permit for the associated property is issued by
24 DPS. Bill 4-09 outlines conditions of deferral and circumstances that will lead to
25 accelerated payment. These provisions are necessary in order to ensure that the county
26 eventually receives payment of the deferred taxes and the deferred taxes are paid prior to
27 the transfer of ownership of the associated property. Bill 5-09 authorizes the deferral of
28 permit, inspection, license, and engineering fees associated with new construction for a
29 period of 12 months from the time they are normally due. It also extends time limits for
30 abandonment of a building permit application from 6 to 12 months and extends the time
31 for recording an initial building inspection from 12 to 18 months. Thank you for the
32 opportunity to testify in support of these bills. We look forward to working with the Council
33 as it considers this package.

34
35 COUNCIL PRESIDENT ANDREWS:

36 Thank you, Ms. Boucher. Ms. Stephenson, you're speaking--Which bill are you speaking
37 on?

38
39 JUDY STEPHENSON:

40 To the 3-09.

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1
2 COUNCIL PRESIDENT ANDREWS:

3 OK. Very good, and go ahead and proceed. You've got 3 minutes for that.

4
5 JUDY STEPHENSON:

6 OK. My name is Judy Stephenson. I'm with OFFICEPRO. We're a small local business.
7 We do software training. We have been a small business in Montgomery County for 25
8 years. I'm actually here today representing Montgomery County Chamber of Commerce
9 on behalf of 3-09, which, as you know, requires county departments to spend 20% of
10 eligible contract dollars with local companies through the Local Small Business Reserve
11 Program. First, let me speak to my experience with the program. OFFICEPRO was one of
12 the initial companies that participated in the program. We helped beta-test the web site, so
13 we were one of the first companies to be registered in the program. Unfortunately,
14 throughout the time the program has been in existence, we have not had an opportunity to
15 bid on a contract, and that's basically due to the restrictions on the number of contracts
16 that are eligible for this program, so our intention is to applaud the intent of the current
17 legislation, and we do believe that the County Executive is correct to suggest that one
18 important way to stimulate the lagging economy is to require government entities to
19 contract with more local small businesses. We also believe that contract restrictions and
20 exclusions within the program place significant constraints on the ability of the county to
21 spend real significant dollars with our local small businesses. For example, the type of
22 training that OFFICEPRO does, computer software training, is provided to the county by
23 Montgomery College. Since the college is a public entity, the contract is not put out for bid,
24 and it is not subject to the Local Small Business Reserve Program. As part of this
25 important legislation, we would encourage the Council to examine some of the current
26 contract exclusions and consider including them as eligible contracts under the LSBRP.
27 The expansion from 10% to 20% is an important step in the right direction. However, 20%
28 of eligible contracts may still only represent a very small number of dollars. The
29 Montgomery County Chamber of Commerce looks forward to working with the Council to
30 pass this legislation and make other important changes to ensure the future success of
31 the Local Small Business Reserve Program.

32
33 COUNCIL PRESIDENT ANDREWS:

34 Thank you, Ms. Stephenson. Our next speaker is Patrick O'Neil, representing Bethesda-
35 Chevy Chase Chamber of Commerce, who's speaking on all 3 bills.

36
37 PATRICK O'NEIL:

38 That's correct. Good afternoon. My name is Patrick O'Neil, and I'm the Vice President of
39 Economic Development and Government Relations for the Bethesda-Chevy Chase
40 Chamber of Commerce. On behalf of the Chamber, I'm here to thank the County



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1 Executive for his efforts in Bills Number 3-09, 4-09, and 5-09 to address the economic
2 impact of the current national recession on small businesses and development entities in
3 the county. We are generally supportive of the proposals in the legislation, and through
4 our testimony today, we offer suggestions in some cases to make a good thing even
5 better. We begin with Bill 3-09 and the corresponding Executive Regulation 2-09 that
6 propose meaningful changes to the Local Small Business Reserve Program. The
7 legislation proposes, and we support, threshold increases to allow more local businesses
8 to participate in the program, the doubling of the required participation percentage for
9 each department, and the deletion of the current sunset date for the program. Notably, the
10 proposed legislation transfers responsibility for administering the program to the
11 Department of General Services. We agree with this change and believe that DGS is the
12 right county entity to oversee and promote the program. Bill Numbers 4-09 and 5-09
13 propose to defer the payment of impact taxes and building permit fees and costs for up to
14 12 months. For our purposes, these bills are interrelated, and we address them together.
15 Like the changes to the Local Small Business Reserve Program, the bills' proposed
16 deferral opportunities are well-intentioned. Presumably, the legislation is designed to
17 create construction industry jobs which have all but disappeared in the current economic
18 crisis. As such, the legislation encourages the development of approved projects that
19 have been stalled by the absence of available financing. However, the additional
20 bureaucratic hurdles embedded in these bills could serve to defeat their purposes. In
21 particular, the requirement for executed deferral agreements and for the filing of security
22 interests on affected properties would discourage a developer from taking advantage of
23 the deferral opportunities. I have asked Frank Amantia of the Mid-Atlantic Federal Credit
24 Union to address these lien impacts from a construction lending perspective. Mr. Amantia
25 has over 20 years of lending experience in the county. Unfortunately, he could not be here
26 to testify today, but through me, he opines that Bills 4-09 and 5-09 provide effective
27 stimulus for developers to re-enter the marketplace, but they ignore the regulatory and
28 procedural requirements of lenders to provide needed funding to bring the developers'
29 plans to fruition. The primary area of concern is the bills' requirement that deferred taxes
30 and fees be perfected in the form of a lien filed in the land records. This lien, which is
31 given priority status, prevents the lender from achieving first position. The second point of
32 concern is the bills' requirement that any deferral be memorialized in a written agreement
33 filed in the land records, as well. The terms of this agreement diminish the effectiveness of
34 the lender's loan documents. If the bills were revised to preserve the rights and remedies
35 of the lenders--without whose funds, the developer's plans would generally not be
36 possible--the bills would spur both developers and lenders alike. In light of the unintended
37 effects of the lien requirements and the written agreements and in an effort to provide a
38 more meaningful incentive for would-be developers, we propose a simpler deferral option.
39 This option has been cooperatively developed by our Chamber, the Montgomery County
40 Chamber, the Greater Silver Spring Chamber, the MCBI, and others. A copy of our



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1 collective efforts is attached to my testimony. We propose the deferral of all impact taxes
2 and permit fees and costs until the project is ready for occupancy. The Department of
3 Permitting Services would not issue final occupancy approvals until the outstanding fees
4 and costs are paid. Our proposal is easier to understand and, frankly, more enticing to a
5 prospective developer than the current legislation. Our proposed deferral is easy to obtain
6 because it is automatic. No deferral agreement or approval is required, and, more
7 importantly, our proposal provides a clear benchmark for when payments are due and
8 provides meaningful county leverage to ensure the fees and costs are ultimately paid. If
9 the goal is job creation through development opportunities, Bills 4-09 and 5-09 are more
10 likely to achieve the goal with our proposed changes, and on behalf of the Greater
11 Bethesda-Chevy Chase Chamber of Commerce, thank you for the opportunity to present
12 these comments.

13
14 COUNCIL PRESIDENT ANDREWS:

15 Thank you, Mr. O'Neil. The next speaker is Robert Harris. I have you speaking on one bill.
16 Is that correct?

17
18 ROBERT HARRIS:

19 That is correct, Mr. Andrews, Bill 4-09-- Development Impact Tax.

20
21 COUNCIL PRESIDENT ANDREWS:

22 OK. Thank you. Please proceed.

23
24 ROBERT HARRIS:

25 Thank you. Good afternoon, Mr. President, members of the Council. For the record, I'm
26 Bob Harris of Holland & Knight. I chair something known as the Commercial Builders
27 Council, and that's whom I'm testifying on behalf of today. Commercial Builders Council is
28 a new effort to focus on commercial and mixed-use development in the county. We
29 believe that that's an increasing percentage of the new development and the
30 redevelopment that is likely to occur as we become a more mature county over time.
31 Unfortunately, the economy has rendered our efforts in this past year academic at best.
32 There really is nothing going on in our world. There is limited demand for what we want to
33 do right now. Where there is demand, our members cannot find financing to undertake the
34 project, and, in fact, most members of ours have had many layoffs, some of them down to
35 the bone, and they don't envision anything changing, even in 2009, maybe 2010, or even
36 beyond that before there is any significant change in that condition. In light of that, we
37 appreciate the County Executive's recognition that there needs to be some kind of
38 economic recovery help for this industry and for the building and construction industry in
39 general. Frankly, we think that multiple measures have to be undertaken, just as they are
40 being undertaken at a federal level. We think that these will go beyond impact tax relief



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1 and should be looking at various kinds of tax credits, like the job-creation tax credit that
2 was created by this county back in 1990, I believe it was, during the last recession;
3 regulatory relief; and other measures, as well. Frankly, we had sought a rollback in the
4 impact tax to the 2007 rates to help stimulate the industry, but we are supportive of at
5 least a deferral, even if we can't get a rollback of it, but as Mr. O'Neil has indicated, we
6 believe this legislation does need some help in terms of its mechanics. We see problems
7 with the lien provisions, the timing of the payment of the fee, and even the duration of the
8 deferral. All are steps in the right direction, but they don't recognize how serious this
9 problem is and how difficult it will be to implement it. We are working with the County
10 Executive Branch to look at options. I know you've got a work session coming up. We had
11 a meeting with them just a little while ago, and we hope to do more, and hopefully,
12 something will come to you that you can support that will mean something for the industry.
13 Thank you very much.

14
15 COUNCIL PRESIDENT ANDREWS:

16 Thank you, Mr. Harris. Our next speaker is Tom Farasy, speaking on at least 2 of the 3
17 bills.

18
19 TOM FARASY:

20 That's correct. Good afternoon, President Andrews and members of the Council. My name
21 is Tom Farasy, and I'm the 2009 President of the Maryland-National Capital Building
22 Industry Association. The BIA represents builders and developers in Prince George's,
23 Montgomery, Saint Mary's, Charles, and Calvert Counties, and we have over 600
24 members today. The MNCBIA supports the County Executive's emergency Bill Numbers
25 4-09 and 5-09 with the amendments as proposed by Mr. O'Neil. Bills 4-09 and 5-09 as
26 drafted create a bureaucracy-- See? Look at that. It's already doom and gloom. Create a
27 bureaucracy that's costly to the county, cumbersome to the applicant, and burdensome to
28 both. It provides, under the most optimum of circumstances, 8 months' breathing room to
29 an industry that is underwater. Given the national, regional, local forecasting, 8 months is
30 not enough. I do not need to brief the Council on the severity of the recession that we are
31 all experiencing. It is in the news every day, and none of us have experienced anything
32 like this. The county's drop in revenues nears the precipitous drop in the housing market.
33 Unfortunately, the forecast by the industry experts does not offer any relief until well
34 beyond 2009. As you may remember, sales and building starts in 2008 were dramatically
35 reduced, as compared to 2007 and, in turn, compared to 2006. Hanley Wood, a research
36 company that tracks new home sales in residential projects over 10 units, reports for
37 Montgomery County that the net sales were 894 in 2008 versus over 2,600 in 2006. The
38 average new home single-family price in 2008 was 792,000, which is \$113,000 lower than
39 2006. The average townhouse price was 438,000, \$70,000 lower than in 2006, and the
40 condominium average price in 2008 was 339,000, over \$137,000 lower than in 2006. The



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1 vacant lot inventory has grown to over a 12-month supply. Normally, this averages
2 somewhere around two months, so we're already 6 times overloaded on our finished lots.
3 In December 2009, Zelman & Associates affirmed that the recession will not recede
4 anytime soon. I've attached several of their reports, but just to give you some highlights, in
5 December, 203,000 homes entered the foreclosure process versus 169,000 in November.
6 In 2009, the new sales, they forecast, will decrease by 40%. Due to unprecedented
7 competition from foreclosures, Zelman projects that new home sales will be less than 7%
8 of real estate home sales. Traditionally, we represent 16% of home sales. Zelman is
9 lowering their housing starts, and they don't see any increase in housing starts until 2011
10 and beyond. The Hanley Wood and Zelman reports are attached to my testimony. Many
11 of our suppliers, builders, developers have had 4, 5, or more rounds of layoffs. It's very
12 common for me to hear, "I had 100 people employed last year, and today I've got 30." The
13 layoffs are very deep in terms of the experience that they have with the individual firms.
14 While we anticipate a recovery, we do not see it until the second quarter or beyond in
15 2010. Bills 4-09 and 5-09 are well-intentioned. However, the legislation requires a lien on
16 the property which, in turn, requires a lender consent. I don't see us getting any approvals
17 from lenders. I don't see the lenders giving any feedback on approval to record a lien. The
18 legislation sunsets in April of 2010. This is only one year, and this is clearly not enough.
19 The legislation calls for an agreement between the applicant and the Department of Public
20 Services-- Permitting Services. This is expensive, onerous, and lengthy. In addition,
21 there's no certainty. By the time the agreement is drafted, negotiated, agreed to by the
22 parties, consent from the lender, any period of benefit will be very minimal. The
23 amendments that we are proposing that Mr. O'Neil has set forth are very simple. We ask
24 that they be deferred until the occupancy permit can be issued, and in the event that an
25 occupancy permit is not required, then it would be paid prior to the final inspection. Given
26 the unpredictability in the economy to guarantee any significant recovery in the next 36
27 months, we further ask that the sunset date be moved out to April 2013. Our industry
28 needs relief quickly, simply, not a lien, not an agreement, not for less than one year. Our
29 proposal ensures that the county will be paid its impact taxes as well as its permit,
30 inspection, license, and engineering fees. Our members look forward to continuing to work
31 with the County Executive and to working with you, the Council, in work session, and we
32 thank you for this opportunity to be at the table to discuss these matters today. Thank you.

33
34 COUNCIL PRESIDENT ANDREWS:

35 Thank you very much, Mr. Farasy. Our next speaker is Ms. Vega, representing the IDI
36 Group, and you're speaking, I see, also on more than one bill, so you also have 5 minutes.

37
38 INES VEGA:

39 I don't think I'll be the whole 5 minutes. My testimony is not as detailed, and I don't have
40 as much experience as the people on the table. I'm just excited to be here to speak in



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1 support of Bills 4-09 and 5-09 in concept. I understand that several details of these bills,
2 as had been mentioned before, need to be worked out and maybe weighing out, like, the
3 benefits of the impact versus the complexity that's gonna be added, and consulting fees,
4 again, need to be taken into consideration. Also, regarding the sunset dates and time
5 periods, we can only hope that the timeframes that the county is allowing for, an extension
6 of the building permit to expire 12 months from filing as opposed to 6 months from filing,
7 will be enough to provide relief as well as sunset dates of April 1, 2010. We hope to be at
8 the other end of the situation that we're currently undergoing by then, but I seriously doubt
9 that, and I'm sure you guys probably do as well. So, that's it. Also, I'd like to--like in the
10 past, I've several--through the public process, I've been glad to provide input. We will be
11 happy to provide input through this process as well.
12

13 COUNCIL PRESIDENT ANDREWS:

14 Thank you very much. Our last speaker on these set of bills is Gus Bauman from the
15 Montgomery County Chamber of Commerce, and he's speaking on at least 2 of the bills.
16

17 GUS BAUMAN:

18 Yes. Thank you, Mr. President. I'm here to speak to the tax and fee bills. I want to first say
19 what a pleasure it is to be here in your new quarters. All of us find it, I think, everyone who
20 who come here in the future will find this far more comfortable and intimate and warm than
21 the prior quarters, so this is a wonderful place to be sitting in. I want to make my remarks
22 in this spirit. The county Chamber greatly supports the initiatives that the county executive
23 has made in drafting these bills and putting them forth before you and involving us in
24 recent days in terms of how to strengthen these bills and make this a better process for
25 everyone involved so that we can make this as painless for you as possible when you go
26 into your work sessions. So we thank the executive for putting these bills forward. I want
27 to just say that I support the comments made by the prior 4 speakers. Don't need to go
28 into all that detail because they have and we do support their comments, and you have
29 Mr. O'Neil's draft attachment, where we're putting forth some suggestions on how to work
30 with you and the Executive and his people so we can come out with legislation that is
31 really helpful to everyone concerned. At bottom, what we want to do is simplify the
32 process and clarify the process. On a substantive level, we want to strengthen the County
33 Executive's goal to have a meaningful impact with these bills. I sat here back in the '90-'91
34 recession working with Mr. Leggett when he sat where you sat, and I remember how
35 difficult that was, and some of the things the county undertook to lessen the impact of the
36 '90-'91 recession. I remember the '81-'82 recession. I even remember being here for the
37 '73-'74 recession. Yeah, it's been 35 years. I myself do not believe it. But that said, I make
38 that comment because I've never seen anything like this. And everyone that I work with in
39 government and private sector is absolutely convinced that what we're going through, we
40 have not hit bottom. We will hit bottom sometime later this year if we are lucky. These



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1 bills, and Patrick O'Neil has put forward to you, and as Bob Harris said, we recently met
2 with the executive's people so we can talk about this some more in preparation for your
3 work sessions. But no one expects--it took years to get to the hole we are in, and it is
4 gonna take a few years to get out of it. We do not see a light at the end of the tunnel until
5 at least 2011, and that's just the reality. So what we're saying here today to you and to the
6 executive is we want to work with both of you, the council and the executive, to strengthen
7 these bills, to clarify them, and to simplify them so they can be used in a meaningful way.
8 Lenders are not lending. They have no anticipation of lending. And even in the best of
9 times, even in the best of times, in the good old days, when everyone was clamping down
10 on growth, the reason lenders lent on projects in Montgomery County, and the reason
11 developers were willing to take the risk and the pain that they went through to develop
12 projects in conformance with our master plans, in conformance with our zoning ordinance,
13 our subdivision ordinance, and our annual growth policy, was despite all of that, they saw
14 an upside. There was always an upside. There is no upside today. No one anticipates an
15 upside. So to make this meaningful, at a bare minimum, we must stretch this out. For
16 these bills to be enacted and to have them expire next year will serve no useful purpose.
17 We are proposing that they expire 2 years from there, 2013. That is a realistic time frame.
18 That is something that a lender can at least understand and a developer following the
19 master plan can try to get a lender to understand. And basically, that's an arm-wrestling
20 contest. You would never want to see it, but that's what happens. As far as the other
21 points made in the prior testimony, we endorse them. We look forward to working with the
22 county executive and his staff. They've been very helpful in the last weeks, and we look
23 forward to working with you at your work sessions. Thanks.

24
25 COUNCIL PRESIDENT ANDREWS:

26 Thank you, Mr. Bauman, and we've got a number of Councilmembers who have
27 comments or questions. I'm gonna begin with Council Vice President Berliner.

28
29 COUNCIL VICE PRESIDENT BERLINER:

30 Thank you all for your testimony. I think that was very helpful. Let me start with--I believe
31 it's Judy's--with respect to small business, and I--I saw some representatives of the
32 County Executive's, people nodding their head with respect to your central point regarding
33 the need to expand the definition of contracts that are included within the scope. So let me
34 turn to Ms. Boucher and say whether or not you are in general agreement with the need to
35 expand the definitions, and are we in agreement with respect to that issue?

36
37 KATHLEEN BOUCHER:

38 We are-- County Executive is in agreement with that concept in general, and in fact, one
39 part of his economic assistance plan, which isn't here today because it's a regulation, it
40 was actually published in the February County Register, would--would increase the gross



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1 annual sales thresholds for local small businesses and would increase the employment
2 complement limits for local small businesses. But I think the speaker may have been
3 speaking to something else on top of that.

4
5 JUDY STEPHENSON:
6 Well, within the actual...

7
8 KATHLEEN BOUCHER:
9 I'm sorry. I just wanted--

10
11 JUDY STEPHENSON:
12 Is that OK? I'm sorry.

13
14 COUNCIL VICE PRESIDENT BERLINER:
15 That's OK. Just take over, Kathleen. It's really--you know, you used to do it here. Now
16 you're doing--

17
18 JUDY STEPHENSON
19 I'm new here. I'm sorry.

20
21 COUNCIL VICE PRESIDENT BERLINER:
22 That's--Judy, it's fine. I'm teasing Kathleen.

23
24 JUDY STEPHENSON:
25 According to the original regulation, there are probably 7 exclusions within the contracts
26 that are eligible for the small business reserve program. So that means that huge portions
27 of county spending is not eligible to be included in this program. So I'm sure that there are
28 numbers--I'm afraid I don't have them--what the total spending is and how much is eligible
29 for the local small business reserve program, but it's not anywhere near what it could be
30 because of the exclusions.

31
32 KATHLEEN BOUCHER:
33 To that point, David Dise would be your best person to speak.

34
35 COUNCIL VICE PRESIDENT BERLINER:
36 And he was the one that was nodding his head in an affirmative manner, so I assume. Mr.
37 Dise, can you offer any observations with respect to the--the concerns that have been
38 expressed?

39
40 DAVID DISE:



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1 I can, yes. For the record, I'm David Dise, director of the Department of General Services
2 for Montgomery County. Yes, we are in agreement, and there are a number of
3 administrative activities that are taking place in concert with these regulatory changes as
4 well. Raising the limit to 20% and increasing the definition of what qualifies as a local
5 small business will both--the 20% will provide greater incentive to departments and a
6 greater challenge in looking at local small business opportunities, and increasing the
7 definition of a qualifying local small business also increases the pool. It is correct that
8 there is a comparatively small amount of the \$985 million in contracting activity. In FY08,
9 \$78 million was subject or eligible for local small business, and of that, \$11.4 million was
10 actually spent on local small business. There is a \$285 million portion of our total spend
11 that is exempted as no local small business qualified. And a lot of times, that qualification
12 criteria is the result of these thresholds, business simply not being right at the point. So we
13 believe that even an increase of 4%--Dun and Bradstreet indicates that raising the
14 thresholds that we've recommended will open up an additional--over 1,800 local small
15 businesses that are registered--currently registered with Dun and Bradstreet in
16 Montgomery County. Just tapping that as 4% of the total is about \$12 million. So that's
17 the-- that is the low end of what we think we can open up. The tapping into that--not
18 enough local businesses qualified is the administrative challenge before us right now, and
19 my staff is working at identifying and getting more businesses involved. That's a huge
20 amount of money. It's approximately 64% of the contracts and the transactions conducted
21 by Montgomery County are represented by that \$285 million. So we've got some
22 administrative work to do and we're aggressively pursuing that with departments now.

23
24 COUNCIL VICE PRESIDENT BERLINER:

25 I appreciate your doing so and I'm sure my colleagues do as well. When I hear the
26 observations with respect to the economy and read the papers as we all do, I do believe
27 that small business in particular is the next sector that is gonna be struggling more than
28 most. The retail sector in particular is struggling. We've met with some of your economic
29 development people with respect to this. I've had conversations with Mr. O'Neil with
30 respect to this and I wish that there was a model ordinance out there or a model response
31 to the struggles that our small business community is facing right now, but I would be
32 grateful, Ms. Boucher, to be working with your people to see whether or not there isn't
33 more we can do, particularly focused on the small business community, because whereas
34 I believe that this is an important step in the right direction, I do think that we are gonna be
35 seeing so many of these small businesses going out of business, laying off workers, and
36 having a very significant impact on the fabric of our community. So I would just urge Mr.
37 O'Neil--we'd had this conversation before and we'll plan some meetings around this topic
38 and see if we can't move forward with some broader set of initiatives to be that emergency
39 lifeline if needed for our small business community.



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1 KATHLEEN BOUCHER:

2 The County Executive looks forward to working with you on that, and I know, as you
3 mentioned, D.E.D. staff have met with you and are exploring any potential opportunities in
4 the stimulus package that might help in this regard, but we look forward to working with
5 you and continuing that.

6
7 COUNCIL VICE PRESIDENT BERLINER:

8 Let me ask you in the same vein. There have been a number of comments and
9 constructive suggestions that have been put forth with respect to the other piece of
10 legislation, and you've obviously had an opportunity to review those comments as well.
11 Would you care to share with us the County Executive's views with respect to the issues
12 of the lien, the issues of the stretch-out, and the other bureaucratic concerns that have
13 been raised with respect to an agreed concept of trying to ease the burden on these--on
14 the development community in this moment in time?

15
16 KATHLEEN BOUCHER:

17 Sure. First, the property tax lien, because I think everybody hit on that. That is in the bill
18 because it's--it's protecting the county's interest. The--as you know, under current law, the
19 impact tax--impact tax revenues are collected at the point of building permit issuance. And
20 so the concern that executive staff had in preparing this bill was if you change that
21 process so that impact taxes are not collected at that point in time, how do you protect the
22 county's interest in eventually making sure you recover the deferred taxes? Any number of
23 things can happen in the interim, including transfer of ownership of property. And so the
24 property tax lien mechanism that's reflected in the bill is a mechanism that--that executive
25 staff came up with in concert with the County Attorney's office in trying to figure out how
26 best to do this. I can tell you that executive staff are very--and the County Executive is
27 very open to reflecting on whether that's the best mechanism. Is there a way to protect the
28 county's interest at the same time that we protect the interests of lenders and maybe
29 simplify this process more? We're open to that discussion. The mechanism that you see in
30 the bill was the best mechanism that the executive staff could come up with in working
31 with the County Attorney's office when the bills were introduced. But we are open to
32 reflecting on that and figuring out is there a simpler way to do it that protects everyone's
33 interests.

34
35 COUNCIL VICE PRESIDENT BERLINER:

36 With respect to the sunset provision?

37
38 KATHLEEN BOUCHER:

39 Again, it was an issue of reasonableness, and keep in mind, this was--as you well know,
40 things change every day. Things keep getting worse in terms of what the economy looks



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1 like. So, back in the fall when we first began this process of drafting bills to implement the
2 county executive's economic assistance plan, the notion was that a 12-month deferral
3 was-- was reasonable. But again, things are worsening every day, and we are very much
4 open to discussing with the council what is the appropriate deferral time period and what
5 is the appropriate sunset time period. It's a very legitimate point.

6
7 COUNCIL VICE PRESIDENT BERLINER:

8 Thank you and thank you, Council President.

9
10 COUNCIL PRESIDENT ANDREWS:

11 Thank you, Council Vice President Berliner. Councilmember Leventhal.

12
13 COUNCILMEMBER LEVENTHAL:

14 I was very much involved in the drafting of the small business reserve program on the last
15 term of this council. I was one of the sponsors along with then-Council President
16 Silverman and Councilman Floreen and former Councilmember Perez. Excuse me. And
17 Valerie Ervin worked in my office at that time. We all worked very carefully on it. I can tell
18 you it was never our intention that out of \$985 million in county procurement, only \$11.5
19 million would actually be spent. I'm embarrassed on my own behalf. That's never what we
20 thought was gonna occur. Now, in-- pardon me. Now, I have a question, actually, for the
21 Council President. I was under the impression that with the new jurisdiction of the T.I.E.E.
22 Committee, procurement was included in that Committee's jurisdiction. Was I wrong?

23
24 COUNCIL PRESIDENT ANDREWS:

25 Sounds right.

26
27 COUNCILMEMBER LEVENTHAL:

28 So why is not the local small business reserve program under that Committee's
29 jurisdiction? The hearing schedule says it's being referred to the MFP Committee.

30
31 COUNCIL PRESIDENT ANDREWS:

32 Hmm. I assume that's right. I'll look into that.

33
34 COUNCILMEMBER LEVENTHAL:

35 OK. Well, in any event, I will attend the Committee meeting where this is discussed,
36 whether it occurs on March 9 in the MFP Committee or on March 26 in the T&E
37 Committee.

38
39 UNKNOWN SPEAKER:

40 Yeah, that builds into the March 26...



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1
2 COUNCILMEMBER LEVENTHAL:

3 Staff is telling me it isn't T&E, but on page 3 of the hearing, public hearing speakers list, it
4 says MFP Committee work session is scheduled on March 9. In either event, I'll attend
5 and Ms. Stephenson--Ms. Stephenson, I want to understand, because you--I listened very
6 carefully to the exchange with the Council Vice President and he asked very good
7 questions, some of which I had wanted to ask, and he raised--he tried to zero in on
8 exactly what you meant when you talked about restrictions and exclusions, and Mr. Dise
9 then pointed out that as a result of a variety of restrictions and inclusions, we're really
10 looking at less than 2% of all procurement is now being awarded to local small business.
11 Substantially less than 2%. A little more than 1%. Nowhere near 10%, let alone 20%. But
12 then on the other hand, you said that in your case, the reason that you had not been able
13 to continue to participate was because the training, software training, was being
14 performed at Montgomery College, and I was interested in understanding what exclusion
15 that is, because to be candid with you, I mean, obviously, with all of these procurement
16 issues, we have a balance. We would like, if possible, to have those dollars that are spent
17 in Montgomery County to--to have a multiplier effect through our local economy. That's a
18 good thing. We want to buy local goods and services where we can. That was the intent of
19 the bill that I introduced with my colleagues. On the other hand, we also want to achieve
20 the best deal for the taxpayer. We do not want the taxpayer to spend more than the
21 taxpayer otherwise might, and in the case of using what is in effect an in-house provider,
22 Montgomery College, I'm not sure on its face, although I would like every one of the
23 businesses in Montgomery County to thrive, I'm not sure that I--that I would think as a
24 policy matter that if a service were available to us at Montgomery College that--I'm not
25 sure I object to that exclusion. That might make some sense. So, could you explain from
26 your perspective as a--as a practitioner a little more about what you think are the effect of
27 these exclusions and restrictions?

28
29 JUDY STEPHENSON:

30 Well, again, I can pretty much speak to ours, and just to clarify, it's not-- County
31 employees aren't going to Montgomery College to take classes. This is the workforce
32 development office of Montgomery College, and they're competing directly with local small
33 businesses for this work. And, I mean, it's a--it's like a for-profit portion of the College, and,
34 you know, you can make an argument on whether that's a good deal for the taxpayers or
35 not. My suggestion would be that it be put out for bid, and people--and people have an
36 opportunity to put their hat in the ring and see what the best deal is. And that's not what's
37 happening now. Because Montgomery College is a public entity, that contract can be
38 excluded. It doesn't even have to be put out for bid. It just--it's--year after year, it's
39 reallocated. It's reawarded to Montgomery College through the Workforce Development



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1 Department, and there's no-- there's never even a conversation about what the best
2 option is for the county.

3
4 COUNCILMEMBER LEVENTHAL:

5 Mr. Dise, I had understood--I don't have it in my head and the statute's not in front of me--
6 but I thought there was supposed to be an annual review of the local small business
7 reserve program in the law. Isn't that-- isn't that supposed to occur?

8
9 DAVID DISE:

10 Yes, there is. There's an annual report that was just recently issued, and it itemizes and
11 summarizes what our expenditure is under each of the 7 exemptions allowed under the--
12 under the current law.

13
14 COUNCILMEMBER LEVENTHAL:

15 OK. Well, it would be my hope, whichever madam chair I'm speaking to, again, if it is the
16 T&E Committee.

17
18 COUNCIL PRESIDENT ANDREWS:

19 It is. Yeah...

20
21 COUNCILMEMBER LEVENTHAL:

22 Council President says it is, and therefore it is. So--so I'm speaking to Chair Floreen.

23
24 COUNCIL PRESIDENT ANDREWS:

25 Yeah, it was reversed on--it has it correctly on the...

26
27 COUNCILMEMBER LEVENTHAL:

28 OK. So I would just say to my colleague Nancy Floreen perhaps we could take this
29 opportunity not solely to focus on this bill that's been sent to us by the County Executive
30 but to go ahead because it's timely and it's directly related, if we're going to try and
31 improve the efficacy of this program to use that meeting of the T&E Committee for an
32 overall review of the program. And at that time, as I mentioned, when the bill was
33 introduced, I would like our staff please to prepare the amendment to eliminate or at least
34 lengthen the sunset date so that that's ready that the committee could act on it that day.
35 So, I mean, Mr. Dise, I think you're terrific, but I have to say that with--with this analysis
36 that you've done, even if you expanded--I listened very carefully to what you said-- even if
37 you said that there were 12 million more in procurements that would become eligible as a
38 result of the county executive's proposal, 12 plus 12 is 24, that's still less than 10% of 985.
39 It isn't even anywhere close to 20%, which is what the county executive's proposing. So
40 let's be real about the numbers that we're talking about here. If there are 985-- and I'm



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1 quoting you back to yourself--if there's \$985 million of purchases of goods and services,
2 then we would hope to be somewhere near about \$200 million, ought to be what we
3 should be shooting for. That was the intent of at least this sponsor of the bill, and I think
4 the other sponsors of the bill when it was first introduced.

5
6 DAVID DISE:

7 I think the question, then, will be on--on what the--examining the exemptions allowed
8 under the bill, under the current law, because the 7 exemptions do cover the--admittedly,
9 the bulk of the purchasing that we do. For instance, if there's existing contracts, contracts
10 with public entities, if there's specific prohibitions on the funding. For instance, federal
11 grants that prohibit local preferences and things of that sort. There's 7 criteria, and that's--
12 those criteria end up covering a bulk of the exemptions and the 10% goal applies to the
13 pool left over after the exemptions are applied.

14
15 COUNCILMEMBER LEVENTHAL:

16 Well, maybe we need to look at a 50% threshold. This is really not what we had in mind
17 when we started. And--and on the issue of existing contracts, I--I've been watching this
18 very carefully, and it's been in law for a while now. So the first year or 2, it was
19 understandable that you had multi-year contracts that were running out, but it's been
20 multi-years now the bill's been...

21
22 DAVID DISE:

23 2 1/2 years.

24
25 COUNCILMEMBER LEVENTHAL:

26 So I would hope that that amount would increase...

27
28 DAVID DISE:

29 We are now coming to the point where many of those contracts are expiring, and as I
30 mentioned earlier, we are now looking at either unbundling the larger contracts to push
31 them to local businesses--office supplies, for example, and others like that--our job order
32 contracts that in the past have been bundled under a larger single contract. We're now
33 unbundling those and highlighting those as exclusive local small business reserve
34 solicitations. Many of those are actually in draft right now and will be issued later this year.

35
36 COUNCILMEMBER LEVENTHAL:

37 OK. We really need to do a lot more work on this. I don't think-- if the numbers that you've
38 run show that we get up to just under \$24 million, I don't understand how the--how the
39 executive branch could think that that was what it was shooting for. I just--I don't see how
40 you could think that was a satisfactory number.



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1
2 DAVID DISE:

3 Well, again, it's the percentage, the goal percentage of 10%. Now hopefully 20%. It's
4 based upon eligible, and the law's pretty clear in that regard...

5
6 COUNCILMEMBER LEVENTHAL:

7 ...but it's not what we sought to do...

8
9 DAVID DISE:

10 It's certainly not the significant percentage of the total spend. That's correct.

11
12 COUNCILMEMBER LEVENTHAL:

13 All right. Very briefly now, I want to talk a little bit about the housing--the market for new
14 housing construction, and then Mr. Berliner asked a question about the liens. I am trying
15 to understand the thinking of the executive branch. Did not the executive branch identify
16 that this would be a problem for securing other lending, that as the bill says, if this is the
17 first lien, that--I mean, I'm not experienced in the construction industry, but I'm
18 experienced in getting mortgages of my own. I know that if I go out and try and get a
19 mortgage on my own home, my own lender's gonna say, "I'm sorry, you've already got a
20 lien on that property. We're not gonna lend you money." Did not the executive branch
21 anticipate that might be a problem?

22
23 KATHLEEN BOUCHER:

24 We discussed this issue with the County Attorney's office, and--I mean, I honestly don't
25 recall. I honestly don't recall.

26
27 COUNCILMEMBER LEVENTHAL:

28 Didn't come up. OK. Well, that's why we have public hearings. All right. So we've gotten
29 that feedback. But let me ask you this now, and this is a very serious--I'm wrestling with
30 this as we all are. Given what we've just heard and what we know is true about inventory,
31 given what we see with our own eyes on our own streets where we live about homes for
32 sale that once upon a time would've been snapped up in a couple of days that now sit
33 around for 90 days, 120 days, long, long periods of time, I'm asking this sincerely, not
34 sarcastically:

35 is new housing construction what we really want to be stimulating at this moment?

36
37 TOM FARASY:

38 Let me respond on a couple levels. I think these bills are going to position the county for
39 the recovery, and if you look at most--the private companies, what their CEOs are
40 spending their time on today is positioning themselves for the recovery. And I would

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1 encourage the county, and I--I'm particularly glad that the County Executive is seeing this-
2 -is that we need to put the county in a position to be successful for the recovery when it
3 comes. Secondly, I think people do--there's a level of people that do want to buy a new
4 home. I can't discount your observations about foreclosure. Foreclosures are in every one
5 of our neighborhoods. In my neighborhood, there's 2 houses right next to me. One is for
6 sale at a market price and another one is a foreclosure, which is \$200,000 less. When I go
7 talk to every builder in town, the foreclosure is his number-one competitor in terms of
8 trying to gain a sale in the marketplace. So, I think the county needs to position itself for
9 action now, and it positions itself by passing these bills as amended, and it also sends a
10 message to the investment community that Montgomery County remains a place to want
11 to have investment dollars put into it.

12
13 **ROBERT HARRIS:**

14 Mr. Leventhal, if I may briefly follow up from a commercial builder's vantage point as well.
15 Keep in mind that a commercial building takes at least 2 years to build, and so what--it
16 seems to me what we want to be doing now is making it as possible as we can for those
17 buildings to proceed or at least some of them now so that they are online in 2 years when,
18 as Mr. Farasy indicates, the economy will be back.

19
20 **COUNCILMEMBER LEVENTHAL:**

21 Yeah, I mean, as far as commercial construction, I'm less concerned, but is it fair for me to
22 assume that the home building industry...this may seem obvious, but I really need to ask
23 it--is it going to build them if it doesn't think it can sell them?

24
25 **TOM FARASY:**

26 They're gonna build it if they think they can sell them. They're gonna build it if they think
27 that there's a buyer out there and they have a market niche that they can compete
28 against. That's what they're gonna do. Are they gonna build them in the quantities--years
29 gone by? Absolutely not. Are they gonna build them in a smaller design, a design that's
30 maybe more fitting to energy conservation, also bringing the average cost down?
31 Absolutely. They're gonna build.

32
33 **COUNCILMEMBER LEVENTHAL:**

34 So therefore, Mr. Farasy, if we provide this incentive, we should not fear that this incentive
35 alone would be enough to lead to the construction of houses that won't go sold and that
36 further depress and expand the size of inventory? The industry knows. You build them if
37 you think you can sell them, and we shouldn't worry about more and more and more units
38 on the market that don't move.

39
40 **TOM FARASY:**



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1 I think everybody needs to worry about more and more units on the marketplace because
2 I think it's a proven fact that until housing recovers, the economy is not gonna recover. So
3 I think the council has a mighty weight of many options to weigh and evaluate and figure
4 out what's the best direction for the county. We think this is one of the measures.

5
6 COUNCILMEMBER LEVENTHAL:

7 OK, but you follow my thinking. We're-- we're--I'm not so much asking about commercial
8 construction, Bob. That's a different picture. With respect to residential construction, we're
9 gonna target incentives that will stimulate the economy by building units that might not get
10 built because the demand isn't there. I'm just--help me with this logic because I'm
11 concerned about it.

12
13 ROBERT HARRIS:

14 Mr. Leventhal, even if this were a rollback of the impact tax, what I would have preferred,
15 rather than a deferral, that amount of money isn't enough to make somebody build a unit
16 that they don't think there's a buyer for. And certainly the deferral of this payment of the
17 impact tax isn't gonna make somebody build something for which there isn't a market.

18
19 TOM FARASY:

20 But you know what it is gonna do, the county on a macro level is many markets and on a
21 micro level is a lot of different markets. This might provide an incentive for a builder to say,
22 "You know what? I don't have any foreclosure competition to compete against, and by
23 having this bill in place, that might offer the incentive for him to move forward and build a
24 house and want to compete. So I think it does provide some incentive. But I think the
25 bigger picture, though, is putting the county in the best position possible so when the
26 recovery does come that we can march to the tune of the recovery. And that's the most
27 important point.

28
29 COUNCILMEMBER LEVENTHAL:

30 One of you cited a statistic of 203,000 foreclosures. Who was that?

31
32 TOM FARASY:

33 That was me.

34
35 COUNCILMEMBER LEVENTHAL:

36 Where?

37
38 TOM FARASY:

39 Across the United States.



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1 COUNCILMEMBER LEVENTHAL:

2 OK. Nationwide. Thank you.

4 TOM FARASY:

5 You're welcome.

7 COUNCILMEMBER LEVENTHAL:

8 All right.

10 UNKNOWN SPEAKER:

11 Yeah.

13 COUNCIL PRESIDENT ANDREWS:

14 Thank you, Councilmember Leventhal. Let me make a couple announcements. Want to
15 announce that the MFP Committee is going to meet at 3:00 as scheduled, so at that time,
16 if we're still going here, I'm gonna turn the meeting over to Council Vice President Berliner.
17 And I also want to note we've referenced the county executive in a lot of the comments.
18 We noted this morning but we also want to note again that we all wish the county
19 executive a speedy recovery. His car--he was in with his wife Catherine that was driven by
20 Lieutenant Samantha Horowitz, who was injured, a knee injury at that, are all recovering,
21 and we all wish them a speedy recovery and they are in our thoughts. Let me just make
22 one comment, then I'll turn to Councilmember Floreen next, and that is I think the stronger
23 argument in terms of the concern about the housing industry is the slowness in turnover,
24 the decline in the net sales. The price decline that we've seen from 2006, where the
25 average single family home was selling at \$905,000, the average new home sale was
26 \$905,000, versus \$888,000 in 2007 and \$792,000 in 2008, and townhouses similarly
27 going down for the new construction, but other, you know, existing townhouse and single
28 family home stock as well, as well as condos, reflects the reality that what had stimulated
29 a lot of the housing market was artificially stimulated demand from a great deal of
30 irresponsible lending that has caused a lot of the-- the foreclosure problems, and that
31 couldn't continue. And I do remember there--we had a lot of concern here about how high
32 prices were going when they were going that high because of how unaffordable it made it,
33 and the reality is that it only was affordable because there was a lot of irresponsible
34 lending that was driving the demand artificially. So what happened was that artificial--that
35 bad lending has largely come to an end because it couldn't continue, and you're seeing
36 the market come down partly for that reason, and yet because of the bad economy, you're
37 also seeing a decline in the sales at the lower prices. But the-- it couldn't have continued
38 at the pace it was going, given what was driving it, and I don't think we can forget that part
39 of the equation. There was a lot of subprime lending, there was a lot of interest-only loans,
40 a lot of loans made at ridiculous teaser rates that people couldn't possibly afford but the



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1 problem was a lot of the folks lending the money didn't have to be paid back because they
2 were selling the loans to other people, and that really broke that accountability link that
3 you need, because the people making the loans didn't have to get paid back, and that is a
4 significant part of what drove this, and there was a lot of that lending in this area. We're
5 not unique in that way. But we have to deal with the consequences, as does everybody
6 else. All right. Councilmember Floreen is next and then Councilmember Elrich and
7 Councilmember Knapp.

8
9 **COUNCILMEMBER FLOREEN:**

10 Thank you. I want to say something on a different note. I wanted to say thank you. I
11 wanted to say thank you to the business community for all you have contributed to
12 Montgomery County. You have provided a functional economy for us and you have
13 created jobs. Your jobs that you've created have provided us with tremendous revenue
14 that have allowed us to pay for everything. It's not so good right now. But I think you need
15 to know how much at least I appreciate what the business community has done and is
16 continuing to try to do to hold our job base together, because this is all about jobs, and
17 you--look, the stories I'm hearing from people. The loss of jobs. The cutback in hours. The
18 people who've gone from part-time to no time. The 10%, 20% pay cuts people are taking
19 so they'll have a job. The voluntary private sector furloughs. OK, we'll just cut back. These
20 are tremendous sacrifices that families are experiencing right now, and that's affecting our
21 revenue. We just had a meeting with the Board of Education about the number of children
22 who are coming into the school system from families who were previously paying for
23 private schools. The number's going up. We expect that number to increase. That's
24 additional cost to the taxpayer both in terms of cost of providing that education and also a
25 loss in terms of the employment revenue that that family might otherwise be generating.
26 So I am with the Rahm Emanuel of the world who say a crisis is a terrible thing to waste. I
27 think we need to work together. I'd like to hear from you about what else we should be
28 doing. This is around the edges. We spent a lot of time talking about the development
29 industry because-- because we can. But it's-- it's--it's--the other industries. It's...it's--it's
30 Judy's industry. It's all the small businesses out there that are struggling. The storefronts
31 that we're continuing to see empty. That number's growing almost every day. We're losing
32 a lot of retailers. We're losing all kinds of jobs. We know that we haven't hit the bottom.
33 And I think what--I think this is the time to identify the other things that aren't on this list of
34 things. This assumes that development is gonna roar back at some point. Maybe it will.
35 Maybe everyone's right when they say it will be, you know, later this year, later next year. I
36 think we've put a lot of eggs in one basket, and we have a wide range of business
37 community members who are plugging away in a very constrained environment. So I
38 would like to hear from--well, we don't have all day. I would like to hear from you
39 individually or collectively at another point, what are the other things that we should be
40 looking at? You've been real helpful in identifying discrete elements of--of Mr. Leggett's



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1 proposed initiatives that will be helpful--or at least that will be--need to be corrected if they
2 are to achieve anything. In terms of the lien issue, obviously that's a technical legal issue
3 that has tremendous implications. But are there other real opportunities that are out there?
4 Perhaps through the small business reserve program, we can do--we can do more. As
5 George--we can certainly take up a review of that. I don't want that to stop these--a more
6 comprehensive review of that program to stop some earlier quick fixes. I don't think
7 anybody wants that to happen. But what other initiatives should we be taking on at this
8 point? I think it is a increasingly troubling environment. I am really shocked on almost a
9 daily basis what I'm hearing about what we don't really see too much. I've been getting
10 comments from folks online about personal experiences, and I see that-- that number of
11 problems that people don't want to admit to increasing more and more.

12
13 GUS BAUMAN:

14 I just would like to make one comment to the Council in that regard. Something that has
15 not been mentioned yet by Councilmembers but I'm sure you're thinking about it. That is,
16 in light of what's going on, businesses and philanthropic groups are not funding the
17 charities and the foundations they did, and from everything we're hearing and seeing, it's
18 only going to get worse, which puts the burden on government even greater as need
19 becomes greater. So that whole side of the business side of philanthropy, which is the
20 majority of philanthropy, they are in tough straits, which is a vicious downward spiral, and
21 I'm sure you're thinking about that, how you're gonna handle that, but we're seeing it, and
22 if we're an early warning system, it's only going to be worse next year.

23
24 COUNCILMEMBER FLOREEN:

25 Well, and I think that's a good point, and the challenge is, of course, that, with the stimulus
26 bill, with all these new initiatives-- was there a new one today yet? I don't know. Maybe.
27 It's very hard to track all the implications of--of the energy bill. Can we help you with
28 weatherization alternatives for some of the workers out there? I know Mr.--Councilmember
29 Berliner is--and I think Councilmember Ervin are looking into what we can do in that
30 regard. And so we'd really like to collectively identify things that are really real and will
31 help at least in the short term and possibly in the long term as well. Mr. Farasy.

32
33 TOM FARASY:

34 Yeah, I want to make a couple of comments. First of all, I think this time right now is a time
35 of great opportunity, and I think never before have we had it so that nothing is sacred.
36 Everything can be looked at. We can look at the future. I know that we firmly believe that
37 the dynamic of the marketplace is changing. We think that development, once recovery
38 does happen, whether that's 2, 3, 4, 5 years from now, it's going to be very different than
39 than it has been. And I think you should look at your own house. You know, one thing that
40 I've been intimately involved in has been transit development, and over the years,



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1 counties, cities have passed bills. Regulations have just been added on, added on, added
2 on, and it wasn't a problem because the home prices were going up. Values were going
3 up and you could support it. But now we can't. So what do you do, you know? Is the--is
4 the policy to promote transit development? Then I think the county should take a really
5 fresh look at that policy and decide how can we encourage it as opposed to no, they gotta
6 be subject to 12 different things that everybody else is subject to. I think that's a terrific
7 opportunity. And to build--you know, all the businesses today are doing this. They're
8 looking at their own shop. They're getting ready for the recovery. And I think it would be
9 prudent on the county, if you will, to employ a task force about what these businesses are
10 doing, and somehow an idea can glean from that and adapt it to the county. And I think
11 the county ought to be a promoter of that process. You've got a great asset here, a great
12 intellectual asset in Montgomery County, and I think you need to utilize it more. Thank
13 you.

14
15 COUNCILMEMBER FLOREEN:

16 Well, that's you all, the intellectual asset. Well, yes. You've got some...

17
18 PATRICK O'NEIL:

19 Just to respond to your invitation. We welcome that as a business community. We've
20 talked to Mr. Berliner about the opportunities there. And as you're hearing from-- from
21 each member of the panel, there are opportunities. It is a dynamic shift that needs to take
22 place. Montgomery County has for a long time been a great place to do business because
23 the consumers are there and it's not been a great place to do business because of
24 government regulations and fees and costs, and there is a real opportunity here in
25 response to the crisis to rethink how it is we've done things in the past and to do things in
26 a more effective and forward-thinking manner, and we welcome that invitation from you
27 and from Mr. Berliner. Thank you.

28
29 COUNCILMEMBER FLOREEN:

30 Well, I really do think that we have a lot of assumptions that we continue to base
31 expectations on, and that's been the case with the current economic crisis. And if you
32 don't reexamine some of the lending practices over time, you never get to the source of
33 some of the difficulties, and I think if we can step back and look at what it is that we can
34 do to support the creation and maintenance and preservation of jobs, I think that's gonna
35 be key to our success as--as a government in delivering the services that our residents
36 have all come to expect. So, this is a--an invitation and the beginning of a conversation in
37 this regard. Thanks.

38
39 COUNCIL PRESIDENT ANDREWS:

40 Thank you, Councilmember Floreen. Councilmember Elrich.



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1
2 COUNCILMEMBER ELRICH:

3 Um, thank everybody for their testimony today. I have, I guess, some comments,
4 questions. First for Mr. Dise, and that's can you talk at all about the historic levels of
5 spending since the bill was enacted on small local businesses? Are you below what was
6 done in the past? Are you about what's been done in the past?
7

8 DAVID DISE:

9 I can. We are slightly below where we were last year, but a lot of that has to do with the
10 vagaries of requirements that come up throughout each year and the availability of
11 contracts. To add on to a comment I made earlier, you have to remember that this is a
12 program that is pretty much in its infancy. It only in its second full year. It started mid-fiscal
13 year. And so we are--we're--I feel like we're just now getting it on its legs, and particularly
14 with the aggressive management that we now have in the Department of General
15 Services, we are making considerably greater strides than we were as recently as a year
16 ago when it first came into--to DGS.
17

18 COUNCILMEMBER ELRICH:

19 I just want to say I appreciate the steps you've taken. We've had discussions about
20 unbundling, which I think is one of the critical things that's not measured, and I think also
21 allowing the definition of "small" to become larger I think is also critically important,
22 because there are a lot of businesses who, you know, don't fit under our small category
23 but by any objective measure are actually fairly small businesses, and so I appreciate the
24 work you're doing in that direction.
25

26 DAVID DISE:

27 Thank you.
28

29 COUNCILMEMBER ELRICH:

30 Um, I-- I guess I'm--I appreciate that the tone of the comments today, particularly the
31 focus on the deferral. I think the deferral makes a lot of sense, and I think that the point is
32 to make sure that investments and decisions that have been made right now don't go belly
33 up, that whoever's put money into a development plan or whatever else doesn't wind up
34 being taken out by the expiration of an approval, and that does keep it on track for when
35 the economy recovers, and that seems to me to be a reasonable step for the Council to
36 take. I also agree about extending the expiration date, because I don't think anybody now
37 believes there's gonna be a recovery of any magnitude, anyway, in place by next spring,
38 and that you will need more time in order to-- to make some sense of that. So that part
39 makes sense to me. I will say the part that makes me nervous is when we start talking
40 about fees and costs. The fees we've put on things are not arbitrary fees designed to



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1 punish the building industry, and I think the work that was done last year was to try to
2 bring the fees in line with what it costs to provide infrastructure. And to the extent that you
3 don't pay those fees, and assuming you all actually want the infrastructure built but you
4 think it's OK that we provide schools and we do something about transportation,
5 somebody else has to pay them. And I think we would hear equally harshly from our
6 residents if we were to say we're not collecting x tens of millions of dollars over here and
7 we're gonna put it on your tax bill over there." Because one way or the other, this stuff has
8 to be paid for, and there is no free ride. It's not like if we don't you charge you a fee, the
9 government will just pay for it. Because I don't know what the government is other than
10 the sum of what we collect from our residential and commercial property tax base. That
11 we--without that money, we don't--we don't go there, and so if you pay less, somebody
12 else pays more, and I don't think there is any way around that, and I think we need to be
13 honest about what that equation is. Now, looking at other ways to make things work
14 better, shortening the park and planning approval process, dealing with the kind of issues--
15 -I have a meeting coming up where I'm gonna meet with people in Howard County to look
16 at, you know, what goes on up there compared to what are the processes down here,
17 because I think it's critical that if we can do things more efficiently, then that has value,
18 and if the outcome to the community is the same, but it saves you 6 months to a year in
19 interest and carrying costs, then that works to the benefit of the industry with no harm to
20 our ability to raise revenues and do things that we need to do, and I'm very interested in
21 everything we can do to make the process run as efficiently and at the lowest cost
22 possible, because to charge you more just because our process is slow and inefficient is
23 not a really good thing to be doing. And I--you know, I look forward to working with people
24 and getting their suggestions on how we make this a better, more certain process. I've
25 heard this discussion about you never know what you're gonna get, and so the process of
26 going through the approval process, you know, bringing something in and, you know,
27 setting one mark, knowing you're not gonna get that but you don't really know what you're
28 really gonna get. I mean, those are things we ought to deal with. We ought to make this a
29 more transparent and straightforward process, and I think everybody will benefit if we do
30 that. But I do feel strongly about the fee side of things, because at the end of the day,
31 we've gotta provide the facilities, and this Council just got out of a meeting with the Board
32 of Education. It was alluded to they're looking at major enrollment increases. You know,
33 the idea that we were gonna get rid of our portables off our elementary schools, that's
34 gone. It looks like we'll be putting portables back on if they're gonna make any effort at all
35 to maintain class sizes. The idea of, you know, being able to provide permanent, fixed
36 structures inside our budget to expand the schools to where they really need to be
37 expanded as opposed to with portables, that's gonna be extraordinarily difficult for us to
38 do. And so those are the realities that we're dealing with. So if you say you--you know,
39 you don't want to pay school impact fees, all I picture on the other side of that is either a
40 sea of portables or 35 kids in a class, and I think we've got to avoid going there, so--you

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1 all didn't make a big point out of it today, and I appreciate the fact that you didn't, but I also
2 feel that it's necessary to--since it got raised to some extent, it's necessary to talk about it.
3 I think it's a real problem that we face on our end. I'd say the same thing about transit-
4 oriented development. I mean, the reality is that building on the Red Line today doesn't
5 really mean much because if your job's not--well, at my end of the--on the east end of the
6 county, if your job's not south of Silver Spring, being on a transit site is pretty useless. And
7 Bethesda, if you know, it's either--you're working in DC, maybe you're lucky enough to
8 work one stop up, but our transit capabilities today are very, very limited. I think there are
9 other ways to go about doing some of this. We're talking about reducing parking
10 requirements. If we reduce parking requirements, that should certainly have a positive
11 impact on the commercial building segment. So I think we're open to doing things to make
12 them--palatable would be the wrong word. More workable for everybody. But I hope you'll
13 continue to work with us and that we don't get bogged down in a battle over the fees, and
14 we focus on what's it take to actually provide the infrastructure we need.

15
16 GUS BAUMAN:

17 Mr. Elrich, let me respond to that. We agree completely with what you're saying. No one
18 up here is saying, "Get rid of the fees." We may think that that would be a wise economic
19 policy. No one up here is so testifying. We're testifying to some initiatives by the County
20 Executive which we commend just to defer payment of fees that you require. Just to defer
21 payment until--right. No one's up here saying, "Get rid of the fees," but let's get real here. I
22 don't know what kind of dollars you're looking at, but the fees you've been collecting have
23 been dropping over the past few years, and they will be plummeting in the coming years.
24 You could do nothing. You don't have to enact these bills, even with our amendments
25 which we think make the bills better, and I think the County Executive, because of the
26 time--just the time that's gone by from the drafting of the bills to today--the executive staff
27 is saying, "Hey, you know, maybe we want to extend it a little more than April of 2010 and
28 do a few other things." The reality is, you're right. The reality is all we're doing is saying,
29 pay a little bit later a fee that's already required, but you--you--don't enact the bills and you
30 will continue not to get this money. And--and that's the reality, and--and I think the budget
31 crisis you face and the Executive faces, is something you inherited from the past and then
32 the economy came crashing down, and I do not envy where you sit and what you have to
33 deal with. '90-'91 looks good to me now. But no one here is saying, "Get rid of these fees."
34 If you want to have a conversation about radical change, we could have that conversation.

35
36 UNKNOWN SPEAKER:

37 Not now.

38
39 GUS BAUMAN:



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1 But not now. But not now, but no one here is saying, "Get rid of the fees." We're just
2 saying if the Executive is saying, "Let's postpone it a little while," we're saying, "Let's
3 postpone it a little bit later, but we're paying those fees."

4
5 COUNCILMEMBER ELRICH:

6 Gus, I just want to be clear. I support this legislation and I support the extensions, but I did
7 hear "It would be nice if you would roll them back," and I want to be clear that that's not
8 where I am, and I really do think they serve a purpose. And I think for the public's benefit,
9 everybody needs to understand what's at stake here. As far as changing the dates and
10 deferring them, I'm fine with that. I mean, I get where this is gonna get us, and I don't want
11 people to lose the money they've invested to this point and then wind up holding the bag
12 with nothing. So, I am on board with this.

13
14 GUS BAUMAN:

15 Thanks a lot.

16
17 ROBERT HARRIS:

18 I'll take your voice of support there and I won't debate the rollback for the time being.

19
20 COUNCIL VICE PRESIDENT BERLINER:

21 That's--that's a wise move on your part. Let me turn to Councilmember Knapp.

22
23 COUNCILMEMBER KNAPP:

24 Thank you, Mr. Vice President, and I will be brief. Careful what you ask for when you
25 come up to testify here. It's a great conversation. I don't think anybody expected to be
26 here for an hour. I appreciate your comments, Mr. Farasy, as it relates to trying to get our
27 house in order to figure out where we--where we're going--how we position ourselves to
28 move forward, and I think that the initiatives before us, as has been alluded to, are good
29 first steps and the things that most of you have been proposing for the better part of a
30 year, year and a half, and so what's before us isn't novel stuff, nor is it gonna have a
31 dramatic impact. I think as Mr. Leventhal said, if we're going to go from \$12 million to \$24
32 million for our small business set-aside, that's great, but how many small businesses is
33 that gonna help? 30 maybe? Which is--40? You know, which isn't bad, but, you know, in
34 an economy that has nearly 700,000 employees, that's not a big amount. And so I think
35 our challenge is to move quickly on these things that we have before us, but I think to Ms.
36 Floreen's point and to the Vice President's point, our challenge is to identify what else. We
37 need to take this opportunity right now to consider what our economic development
38 strategy is, really put it in place now, narrow it-- you know, hone it so that we're very clear
39 as to we're all on the same page. Identify what other things we can do in the short term to
40 assist our businesses, but really, have a short-, mid-, and long-term approach, and I



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1 appreciate very much your perspectives here today, but really, I'm more heartened by the
2 conversation, because these are some of the right people in the room, and we've got to
3 really have a dialogue in the coming months, because this is just a little, teeny piece of
4 what we're gonna have. You've heard alluded to this conversation we had--the Board of
5 Education. Even when the economy was good a few years ago, 25% of the students in
6 Montgomery County schools are at or below the poverty line, the federal poverty line,
7 which is a--much lower than the guideline we generally use in Montgomery County. So
8 that's when the economy was still pretty good, and so those numbers are only getting
9 worse, and so unless we start to put in place a strategy right now, those numbers are
10 going in exactly the wrong direction. And so Montgomery County, while we have a great
11 historical perspective of really being a well-to-do place, things are shifting. We've gotta
12 really get together right now to figure out how we can come up with a different strategy
13 and how we address those concerns, and so I thank you very much. I urge my colleagues
14 to move forward quickly on the bills that we have before us, but recognize and be very
15 clear with our--with our public. Lots of times when we pass these things, we then beat our
16 chests and say, "Look at these great things we've done." These will be fine, but they're
17 little, tiny things, and so what are the other stuff we're gonna do and how quickly can we
18 move forward on all of those. And so I thank you all very much for your time and won't
19 take any more of it.

20
21 COUNCIL VICE PRESIDENT BERLINER:

22 Let me just close by saying as I looked at Ms. Boucher's testimony, I think the county
23 executive recognizes this is a, quote, "modest first step to help ease some of the
24 difficulties," and I appreciate that recognition on the part of the county executive. We have
25 a lot more work to do. I think that the chairman of the PHED committee has a lot of work
26 to do with respect to our economic development sets of issues. We have a lot of work to
27 do with respect to our small businesses. I would hope and ask, Ms. Boucher, if you would
28 do some sort of survey of what other communities are doing with respect to the small
29 business community in particular, because I believe it's the hardest piece to get our hands
30 around, and I think it is a piece that we have an obligation to try and fill in. Most of the
31 effort at the federal level has obviously been on our big banks and our big financial
32 institutions, and the little guys are not seeing that trickle-down effect. They didn't see it in
33 the previous administration and they're not seeing it here, and we have to figure out some
34 way to be of assistance to that community. And your going forward and figuring out what
35 are the best models out there, I would be most grateful, and I know my colleague
36 Councilmember Elrich would be equally grateful with respect to that, because we've had a
37 number of conversations about this. So is there anything that you would like to do to
38 close? Because this was your show.

39
40 KATHLEEN BOUCHER:



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1 No. Thank you. I appreciate the--the serious discussion of the--of the package and the
2 issues that relate to them and will--will continue the discussion on the other side of the
3 street that you all have already begun about what can be done with regard to helping
4 small businesses.

5
6 COUNCIL VICE PRESIDENT BERLINER:
7 Thank you very much and thank you all for being here.

8
9 ROBERT HARRIS:
10 In light of the comments that the 4 of you Councilmembers have made and the Executive
11 branch has made, I have to say this hearing room works much better than the old one did.

12
13 COUNCIL VICE PRESIDENT BERLINER:
14 Already we're transformed. Is that right?
15